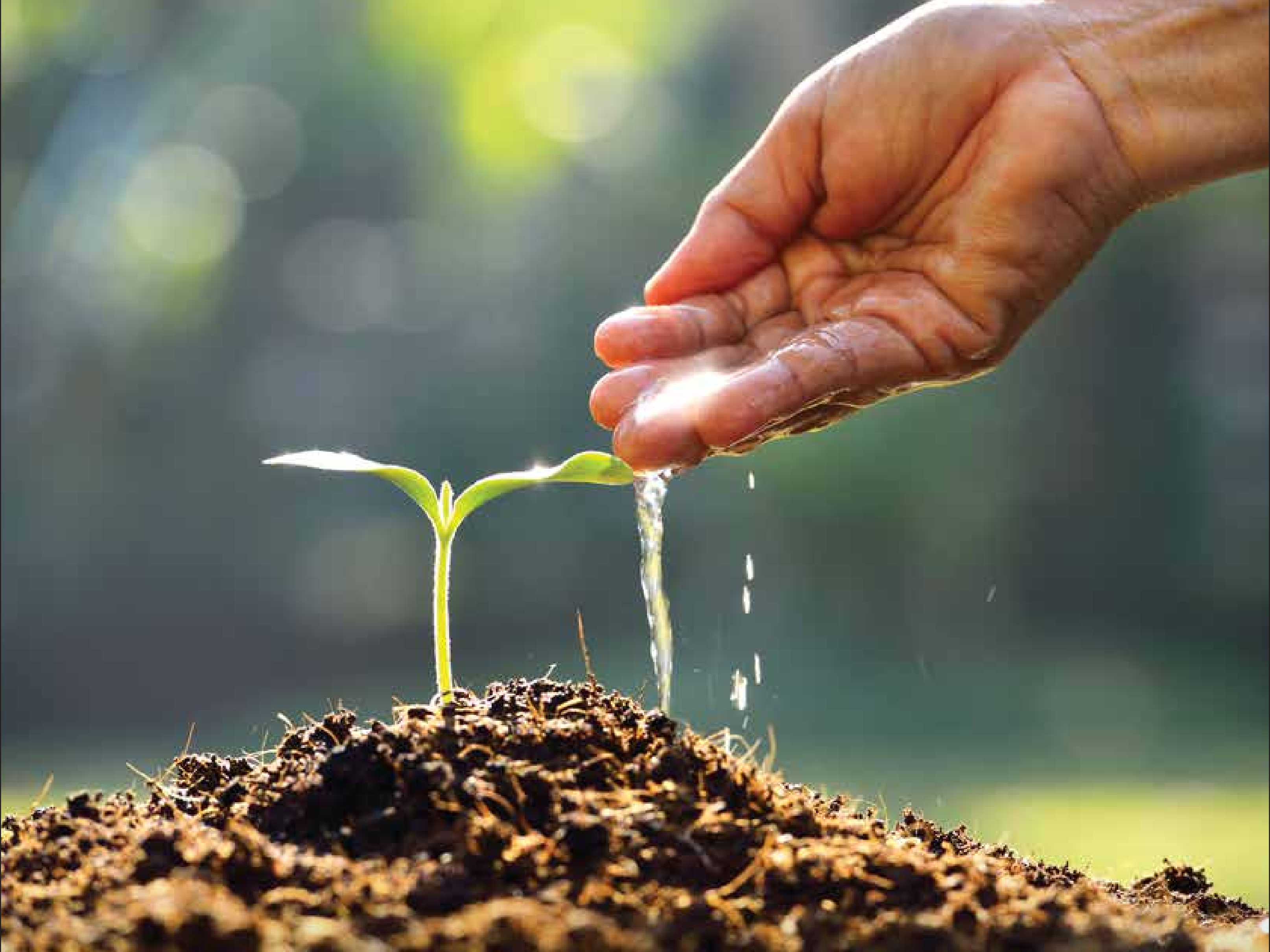
National Seminar on

Bangladesh's Climate Resilience and Financing: Challenges, Opportunities and Way Forward

Monday, 01 July 2024 Form 1100 hrs to 1400 hrs



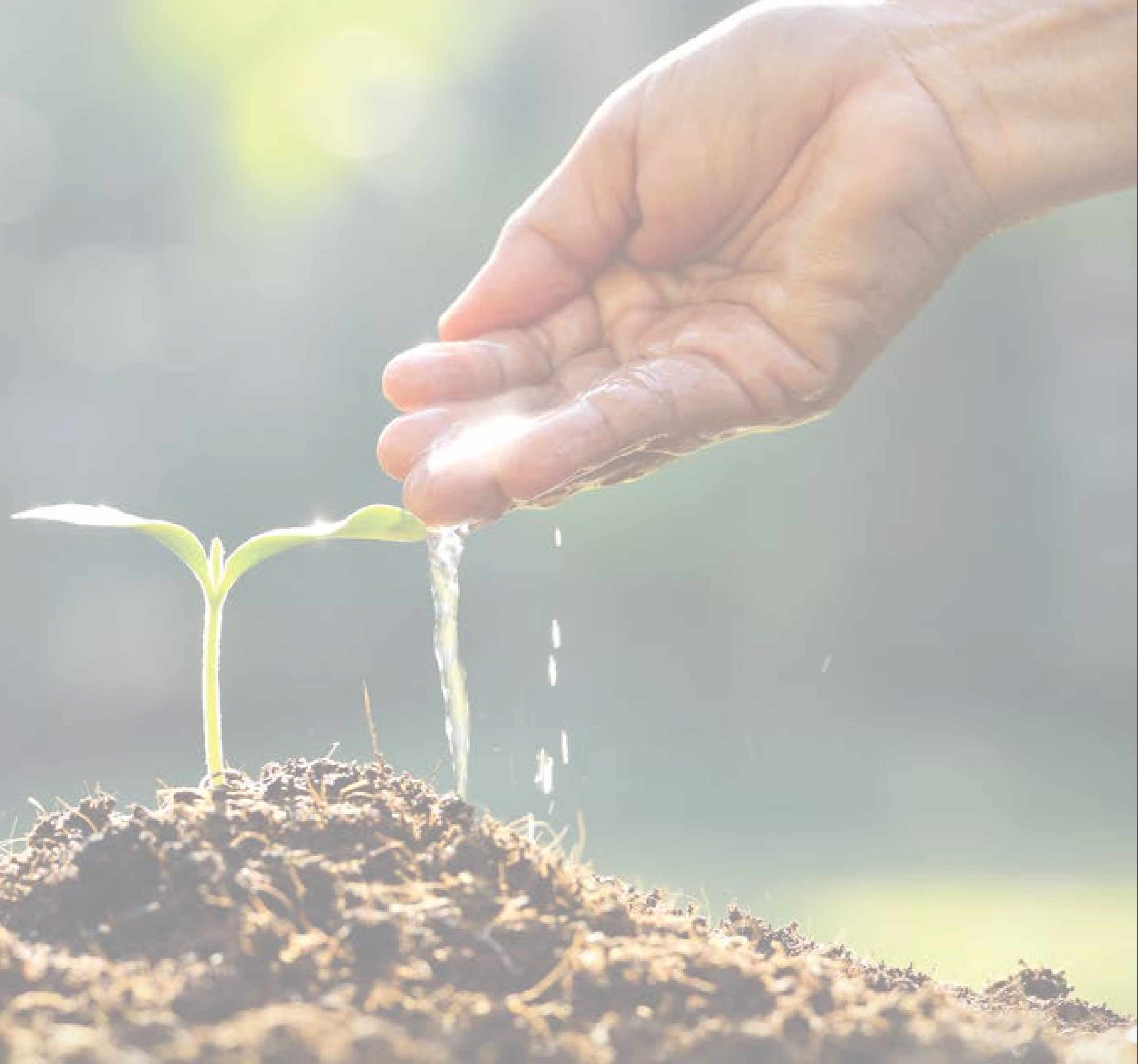
Organised by

Bangladesh Institute of International and Strategic Studies (BIISS)

National Seminar on

Bangladesh's Climate Resilience and Financing: Challenges, Opportunities and Way Forward

Monday, 01 July 2024 Form 1100 hrs to 1400 hrs



Organised by

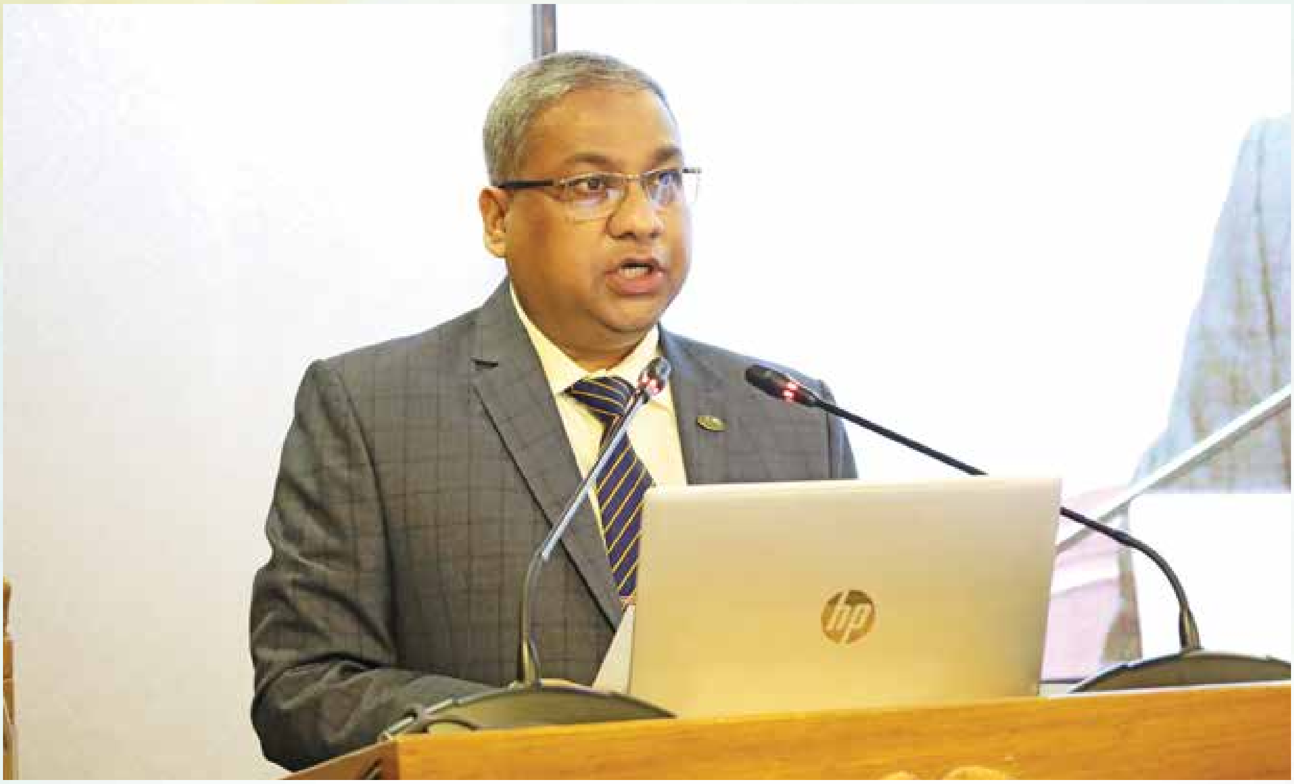
Bangladesh Institute of International and Strategic Studies (BIISS)

Published by
Bangladesh Institute of International and Strategic Studies (BIISS)
1/46, Old Elephant Road (West of Ramna Police Station)
Dhaka-1000, Bangladesh.
Phone: (880-2) PABX: 9353808, 9336287, 8315808, Ext. 136
Fax: (880-2) 48312625
E-mail: po@biiss.org
website: www.biiss.org

Printed by
General Printing Press
98, Naya Paltan, Dhaka-1000, Bangladesh
Phone: +88 02 583 177 42, +88 01710 956 575
Email: general.ppress@gmail.com

Bangladesh Institute of International and Strategic Studies (BIISS) organised a seminar titled 'Bangladesh's Climate Resilience and Financing: Challenges, Opportunities and Way Forward' on Wednesday, 01 July 2024 at the BIISS auditorium. Mr Nahim Razzaq, MP, Convenor, Climate Parliament Bangladesh and Member, Parliamentary Standing Committee on Ministry of Foreign Affairs, Government of the People's Republic of Bangladesh, and Dr Ainun Nishat, Professor Emeritus, BRAC University graced the seminar as the Chief Guest and Special Guest respectively Dr Sufia Khanom, Senior Research Fellow, Bangladesh Institute of International and Strategic Studies (BIISS)); Shaikh Muhammad Mehedi Ahsan, Country Representative IUCN and General Secretary, Bangladesh Institute of Planners (BIP); and Dr Mohammad Abu Yusuf, Director General (Additional Secretary), Monitoring Cell, Finance Division presented papers on Financing Climate Resilience: Contexts and Issues for Bangladesh; Case Studies/Best Practices for Innovative Financial Mechanisms; and Climate Finance: Global Mechanisms and Acces to Modalities respectively. The seminar started with the welcome address of the Director General of BIISS, Major General Md Abu Bakar Siddique Khan, ndc, afwc, psc, G+ and Ambassador A F M Gousal Azam Sarker, Chairman of BIISS, moderated the seminar as the Session Chair. Senior officials from different ministries, ambassadors, high commissioners, former diplomats, senior military officials, media, researchers, academics, and students from various universities, representatives from different think tanks, international organisations, participated in the seminar and enriched it by presenting their valuable opinions, comments, suggestions, and observations during the open discussion session.

Welcome Address



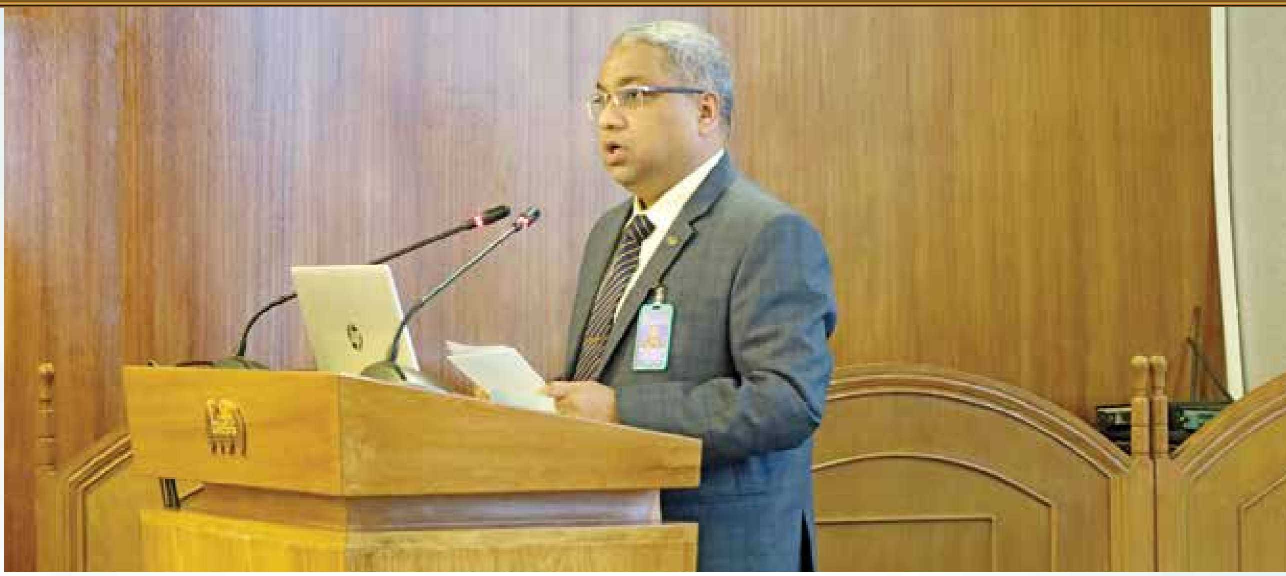
Major General Md Abu Bakar Siddique Khan, ndc, afwc, psc, G+

Director General

Bangladesh Institute of International and Strategic Studies (BIISS)

Major General Md Abu Bakar Siddique Khan started his speach to mention that climate resilience and finance got paramount importance. Climate change was not a distant threat, but a reality instead, affecting nations worldwide. Bangladesh is particularly vulnerable to impacts of climate change, has made this topic not just a timely one, but also crucial. The country has very high vulnerability; it faces different natural disasters like cyclones, tornadoes, floods, sea-level rise, etc., on a frequent basis. Besides disrupting lives of millions of people, these events inflict severe damage to the country's economy, infrastructures and natural resources. The need for building and improving climate resilience, therefore, is urgent, requiring both immediate actions and long-term strategies.

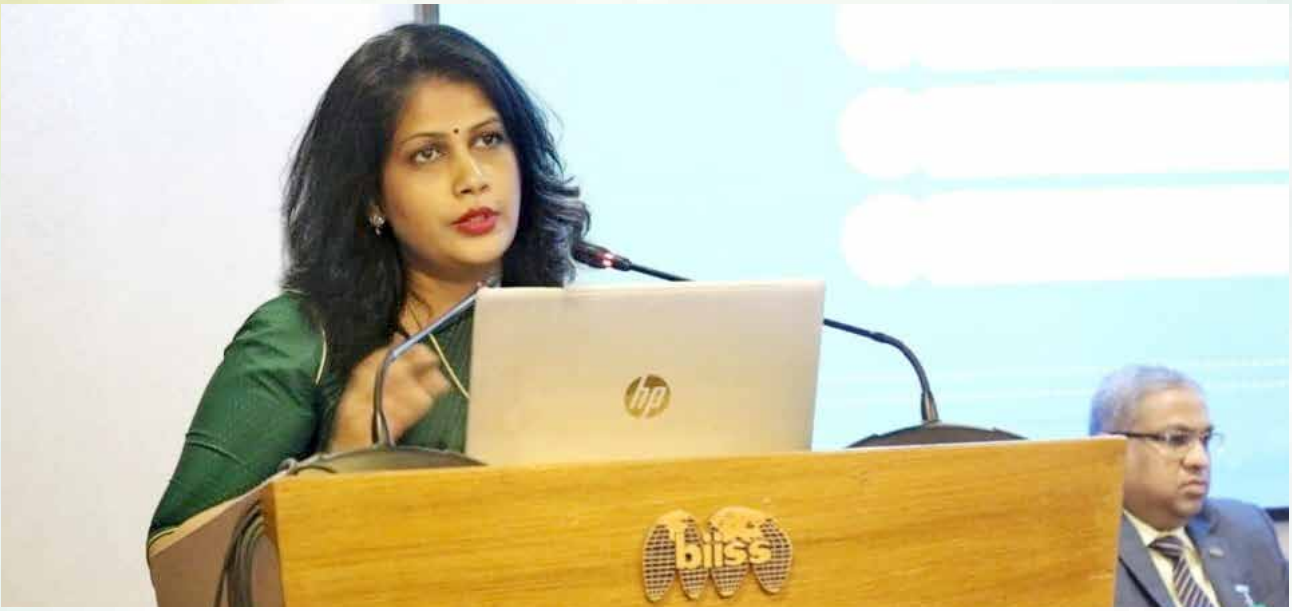
One of the primary challenges Bangladesh faces in climate financed, is that building climate resilience demands significant investments in infrastructures, technology and community programmes. However, resources available are often limited; the global climate finance landscape is quite complex too, with funds from various sources like international donors, development banks and private sectors. Efficient utilisation of these funds remains a challenge



that must be overcome. Moreover, there is a need of innovative financial mechanisms tailored specifically to Bangladesh's context. Traditional financing models might not always be adequate for addressing unique challenges posed by climate change towards the country. Various options should be explored that can provide sustainable and scalable solutions. Effective climate resilience would require efforts across different sectors and levels of government; strengthening a country's institutional frameworks and ensuring robust policy implementation would be essential steps. These would include: improving data collection, monitoring and evaluation systems to track progress for making informed decisions. People of Bangladesh, particularly those in vulnerable regions must be at the heart of the country's all resilience programmes. Building local capacity, raising awareness and fostering community related initiatives could significantly enhance resilience. Integration of climate change into national development plans must be prioritised. This would require a holistic approach, considering impact of climate change on all sectors. By mainstreaming climate change resilience, sustainability of development efforts can also be ensured. There is the need for strengthening capacity to attract and manage international climate funds effectively. This would include: developing robust project initiatives, improving financial management systems, ensuring transparency and accountability in fund utilisation. There should be investments in research and development to find context-specific solution that can help mitigate risks emerging from climate change, including climate smart agriculture, renewable energy and resilient infrastructure. Climate change is a global challenge that requires collective action. Bangladesh must continue to actively engage in international fora, advocate for fair climate policies, seek technical and financial support from the global community. Building climate change resilience in the country remains a formidable task but not impossible. Through addressing financial challenges, strengthening governance, empowering communities and fostering innovation, the way for a resilient and sustainable future can be paved. General Siddique concluded the address by urging all stakeholders to work together for safeguarding Bangladesh and its people form adverse impacts of climate change.

Presentation on

"Financing for Climate Resilience: Issues and Context for Bangladesh"



Dr Sufia Khanom
Senior Research Fellow
Bangladesh Institute of International and Strategic Studies (BIISS)

Dr Sufia Khanom, before delving into her main discussion, defined some key concepts mentioned in the presentation title. Climate resilience refers to the ability to adapt, prepare for, and effectively respond to natural hazards caused by climate change. Resilience means the capacity to withstand adversity and bounce back from difficult life events. She then explains the stages of climate resilience, beginning with the threshold level. Following this, an individual passes through the coping stage, attempts to recover from the situation, then adapts, and finally reaches a transformative stage where one aims to change their condition and improve his/her living situation in stressed environmental conditions.

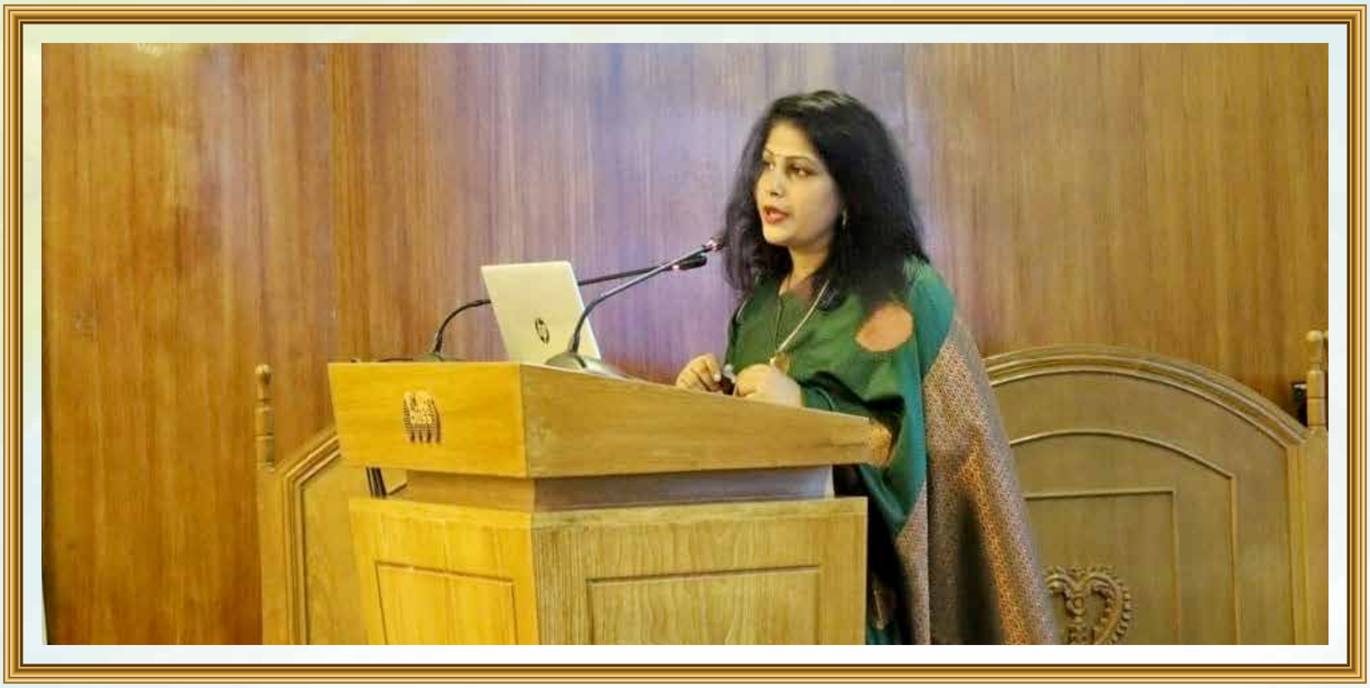
Climate finance is defined as the financial resources allocated towards projects, initiatives, and investments aimed at mitigating and adapting to climate change. This includes financing for renewable energy projects, energy efficiency improvements, climate resilience infrastructure, carbon capture and storage initiatives, afforestation, reforestation, and similar initiatives. Key components of climate resilience include mitigation, adaptation, capacity building, technical assistance, technology transfer, innovation finance, and financial mechanisms and instruments. Dr Khanom then emphasises the need for substantial financial flows and sources to implement such activities. She identifies various sources of climate finance, including public funds, private investments, multilevel development banks, and bilateral aid. Dr Khanom continues her presentation by discussing various international climate funds, carbon markets, and climate bonds. She highlights the existence of different types of climate bonds and notes that philanthropic organisations also contribute significantly to climate financing and related activities. These financial mechanisms and funds have been approved through various conventions and discussions, including the Global Environmental Facility, the Green Climate Fund, the Special Climate Change Fund, the Least Developed Countries Fund, the Adaptation Fund, the Climate Vulnerable Forum, and the V20 multi-donor fund.

Dr Khanom then mentions the establishment of the Loss and Damage Fund at COP 27, although its mechanisms are still under development. She stresses that these financial mechanisms are essential for climate-vulnerable countries. Identifying key vulnerable areas where climate financing is crucial, she refers to the National Adaptation Plan, which highlights sectors such as water, food security, infrastructure, livelihoods, ecosystems, health, and biodiversity. The current annual loss to GDP due to climate disasters is approximately 1.3 per cent, which may rise to 2 per cent by 2050. By then, internal migration is estimated to affect about 19.1 million people in South Asia.

Despite these vulnerabilities, Dr Khanom asserts that Bangladesh has transformed from a merely vulnerable country to a resilient and prosperous nation. The country has developed its own strategies and action plans to combat climate impacts. Among these are six national adaptation goals identified by the National Adaptation Plan, encompassing 23 broad-scale strategies and 28 outcomes addressing various aspects of safeguarding. She further elaborates that there are eleven stress areas with 113 interventions aligned with the Sustainable Development Goals (SDGs) and the Delta Plan. For these 113 interventions, a total investment of USD $230 billion is required over 27 years, amounting to approximately USD $8.5 billion per year. Of this amount, USD $6.5 billion per year needs to come from external sources, underscoring Bangladesh's dependency on international support.

Dr Khanom then moves on to discussing the potential for private sector investment, which is estimated to be 5.1 per cent of the total investment at an annual rate of USD $0.42 billion. She outlines the expected investment allocations as estimated in the Sheikh Mujib Prosperity Plan. In this plan, adaptation is estimated to receive about 61 per cent of investments from any organisation, development fund, or donor organisation. Resilience is expected to receive about 20-25 per cent, low carbon and co-benefits around 11 per cent, and the Loss and Damage Fund approximately 3 per cent. These sectors may attract interest from donor organisations and external financial sources.

Dr Khanom highlights that within South Asian countries, India receives most of the funds for mitigation, while Bangladesh receives the majority of funds for adaptation. Studies suggest that regional collaboration in energy security could yield even greater investments. There is significant potential for regional cooperation, particularly in renewable energy. She mentions the Green Climate Fund (GCF) as another avenue for financial mechanisms. In Bangladesh, nine projects have been approved by the GCF, receiving approximately USD $441.2 million. Additionally, there are eight readiness activities with approved support of USD $6.1 million, of which USD $5.4 million has been disbursed. These projects have been approved by the GCF and received almost USD $441.2 million. Additionally, there are eight readiness activities with



approved support of USD $6.1 million, of which USD $5.4 million has been disbursed already. Dr Khanom also refers to the Climate Bridge Fund, a trust fund established by BRAC in November 2019, supported by the German government through the KfW Development Bank. This fund supports small-scale projects and will be implemented in various climate-vulnerable African countries if the projects are sucessful in Bangladesh. According to the Prosperity Plan, several areas require investment from external sources. These include accelerated adaptation, requiring approximately USD $37.9 million, and the just transition of labour and future-proofing industry with technology transfer, which needs around 11.6 per cent.

Dr Khanom continues her presentation by discussing additional sectors that require investment, such as increasing public revenue investment in the most vulnerable areas, comprehensive climate disaster financing and management, and technology for well-being. She also highlights the estimated investment needs for renewable energy, energy efficiency, and the power and transport sectors. She outlines some of the funding options available to Bangladesh, including the Bangladesh Climate Change Trust Fund and other funds like the Global Environment Facility (GEF) and the GCF. Some funds are provided as grants, while others can be both grants and loans. These funds often include risk mitigation instruments and options for inclusivity and equity. The trust fund is entirely grant-based and allocated by the government to various ministries and departments. Other funds are connected with donor organisations, with some allowing direct access, like the GEF, and others, like the GCF, providing indirect access through the government or other departments to implement climate action initiatives.

Dr Khanom highlights the development of several good policies and strategic papers over the years, such as the Bangladesh Climate Change Strategy and Action Plan (BCCSAP), the Country Investment Plan, the Bangladesh Delta Plan, the Nationally Determined Contributions (NDC) reports, the Mujib Prosperity Plan, and the National Adaptation Plan (NAP). Each of these policies and strategy papers has own focus areas and estimated financial requirements for implementation.

However, she notes that there has been criticism regarding the lack of coordination among these policies, activities, and strategy papers. Effective coordination is essential for the successful implementation of these policies and initiatives. Dr Khanom points out that the climate-relevant allocations across these strategy papers have identified several thematic areas for financial allocation.

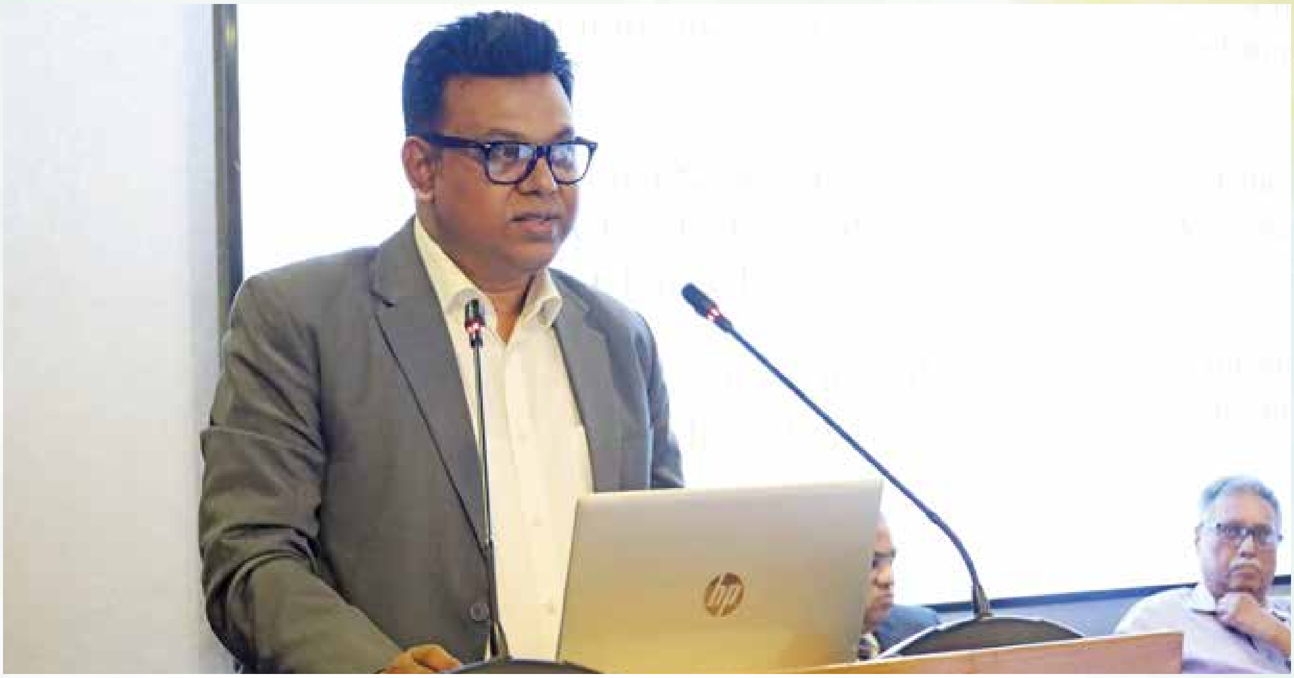
She then emphasises the primary financial allocations required for food security, social protection, and health. The second significant area is comprehensive disaster management, which includes infrastructure related to disaster management, research and knowledge management, mitigation and low-carbon development, capacity building, and institutional strengthening. Various sectors have been identified for the necessary financial allocations. She provides an overview of the budget proposed for the fiscal year 2024. From the fiscal year 2010 to 2024, a total of USD $279.3 million has been allocated to the Climate Trust Fund, facilitating approximately 969 projects, with 721 of them being completed. The Bangladesh Climate and Development Platform has been developed for better coordination of the diverse activities implemented by various departments and organisations. Around 25 ministries and departments have received climate budget funds. For the fiscal year 2023-24, about USD $3.37 billion was allocated for the climate fund. The government has allocated an additional USD $9.1 million for adaptation activities for this fiscal year.

Dr Khanom highlights that 20.9 per cent of the total budget has been allocated to address the impacts of climate change and the water sectors. The allocation for the Ministry of Environment, Forest, and Climate Change has been proposed at USD 148.5 million, which is an increase from the previous year's USD $97.2 million. This represents an additional 430 crore BDT compared to the previous year. Despite the increase, the development budget has been proposed at USD $127.4 million, which is USD $8.5 million more than the previous year. She stresses that disaster reduction and people's livelihoods and development remain critical areas of focus.

Dr Khanom concluded her presentation by addressing the challenges of managing climate change funds, noting the unpredictability of future disasters. She points out that the proposed budget includes a 10 per cent increase in export tax on LED and energy-saving lamps, as well as a 3-5 per cent increase in the export cost of CNG conversion kits, cylinders, and other machinery. She expresses concern over the lack of incentives for renewable energy suppliers and entrepreneurs. She emphasises the necessity for proper budgeting and fund allocation to achieve environmentally friendly climate financing. She offers several recommendations for future steps, including the need for blended financial mechanisms and ensuring long-term financing strategies; strengthening local government organisations that deal with climate change adversity; deploying frontier technologies and involving private and non-governmental organisations in these sectors. Additionally, she highlights the importance of setting strategies to better mobilise national and international climate finance. Ensuring financial transparency and establishing an effective monitoring system for fund management are essential.

Presentation on

"Climate Finance: Global Mechanisms and Access to Modalities"



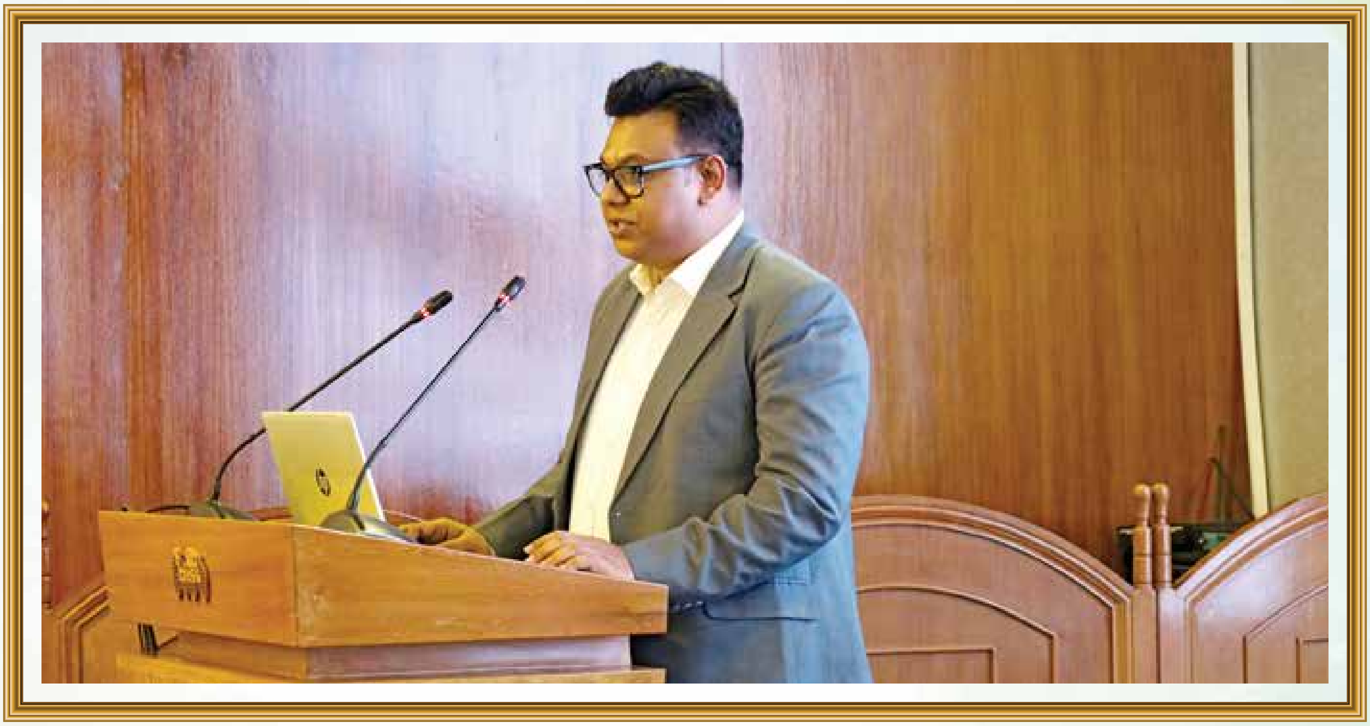
Shaikh Muhammad Mehedi Ahsan
Country Representative, IUCN, Bangladesh and
General Secretary, Bangladesh Institute of Planners (BIP)

While setting the context Shaikh Muhammad Mehedi Ahsan said that Bangladesh is graduating from Least Developed Countries (LDC). The target of Bangladesh is to achieve upper-middle-income status by 2030, to be recognised as a developed country by 2041, and to reach prosperity by 2071. These milestones are supported by comprehensive plans and roadmaps under the leadership of the current government, implemented through five-year planning cycles, annual development plans, and annual development budgets. On the climate resilience budgeting, he raised a critical question: should Bangladesh focus solely on the budget allocated to the Ministry of Environment, Forest, and Climate Change when discussing climate resilience? The recently approved national budget of 9,97,000 crore BDT, which includes a development budget of 265 crore BDT raised very pertinent qustions of fair allocation. He stated that as one of the most climate-vulnerable countries in the world, Bangladesh must ensure that all developmental activities with follow risk assessment and climate change is mainstreamed across all sectors. Ideally, the entire budget should be considered as a climate budget. Achieving this will be a long journey, and while there are significant plans, such as the Bangladesh Delta Plan, Mujib Climate Prosperity Plan, and the National Adaptation Plan, there is still much work to be done.

He then gave an overview of the meaning of climate finance. He said that climate finance refers to local, national, or international financing, drawn from public, private and alternative sources of financing to support mitigation and adaptation actions for combating climate change. The United Nations Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol, and the Paris Agreement are the legal basis of climate finance. These are the legal basis for climate finance. Although the international community still could not decide the definition of climate finance. The architecture of climate finance is complex. It involves contributions from countries, particularly economically solvent ones that are also major polluters, and the funds are channelled through various implementing agencies and financial institutions. The governance of these funds is also intricate, involving multiple mechanisms, such as joint implementation and Clean Development Mechanism (CDM), and funds like the Loss and Damage Fund, Green Climate Fund (GCF), and Adaptation Fund, among others.

He then elaborated on the evolution of global climate finance. The United Nations Framework Convention on Climate Change (UNFCCC) was established as a result of the Rio Declaration, which comprises 27 principles, including the ‘Polluter Pays Principle’, holding polluters financially responsible for environmental damage. In alignment with the objectives of the Rio Declaration, the Global Environment Facility (GEF) was created in 1991 as an interim measure and was later formalised in 1994 to conserve the global environment and support sustainable development initiatives. Initially, the World Bank allocated USD 1 billion as a pilot initiative for the GEF. By 1995, developed countries had actively engaged in the formation of the GCF, integrating both technical and financial cooperation mechanisms. The Kyoto Protocol, formulated and ratified by the parties in 1997, introduced several key mechanisms, including Certified Emission Reductions (CER), Joint Implementation (JI), the Clean Development Mechanism (CDM), and provisions for the Adaptation Fund (AF). The Seventh Conference of the Parties (CoP7) in 2001 led to the establishment of the Special Climate Change Fund (SCCF) and the Least Developed Countries Fund (LDCF). Later, during CoP14 in 2008, the Adaptation Fund (AF) was officially established under the Kyoto Protocol, with a decision to allocate a 2% levy from the CDM proceeds to support the AF. Additionally, the Climate Investment Funds (CIF) were established, which initiated the Special Program for Climate Resilience (SPCR) and the Pilot Program for Climate Resilience (PPCR). The Copenhagen Accord, adopted during CoP15 in 2009, introduced the concept of "Fast Start Finance," which aimed to mobilise USD 30 billion by 2010-2012, and "Long-Term Climate Finance," targeting USD 100 billion annually from 2020 onward, as additional financing beyond the Official Development Assistance (ODA) provided by developed countries. The Green Climate Fund (GCF) was established during CoP16 in 2010, with CoP19 in 2013 leading to the establishment of the GCF Secretariat and the recruitment of an Executive Director to accelerate the Fund's activities. A commitment of USD 100 billion was also made towards the Adaptation Fund, further reinforcing global efforts to combat climate change.

While talking about the contributors of the climate fund, he said that it includes economically solvent countries and major polluters, such as Australia, Canada, the European Union, France, Spain, and the UK, among others. These countries, many of which are members of the OECD, channel their contributions through implementing agencies and international financial institutions established under the UNFCCC. These institutions play a critical role in managing and distributing the funds to support global climate initiatives. He mentioned that the Least Developed Countries Fund (LDCF) was established at COP7 in 2001 to support a work programme to assist 48 Least Developed Country Parties (LDCs). At CoP11, the parties agreed on provisions to operationalise the LDFC to support the implementation of the National Adaptation Programme of Action (NAPAs) to provide guidance with regards to priority areas. It also supports the implementation of the National Adaptation Plans (NAPs). The GEF as an operating entity of the financial mechanism of the UNFCCC operates the fund. So far, Bangladesh has received US$ 34.42 from the LDFC.



He then talked about how the Adaptation Fund was established under the Kyoto Protocol of UNFCCC which also serves the Paris Agreement. Article 12.8 states that a share of the proceeds which is 2 percent from Certified Emission Reduction (VER) shall be used to assist developing country Parties that are particularly vulnerable to climate change to meet the costs of adaptation. The fund also receives finance from the developed countries. With over US$ 850 million allocated, the Adaptation Fund gives developing countries full ownership of adaptation projects from planning through implementation while ensuring monitoring and transparency at every step. On an interim basis, it is serviced by a secretariat and trustee.

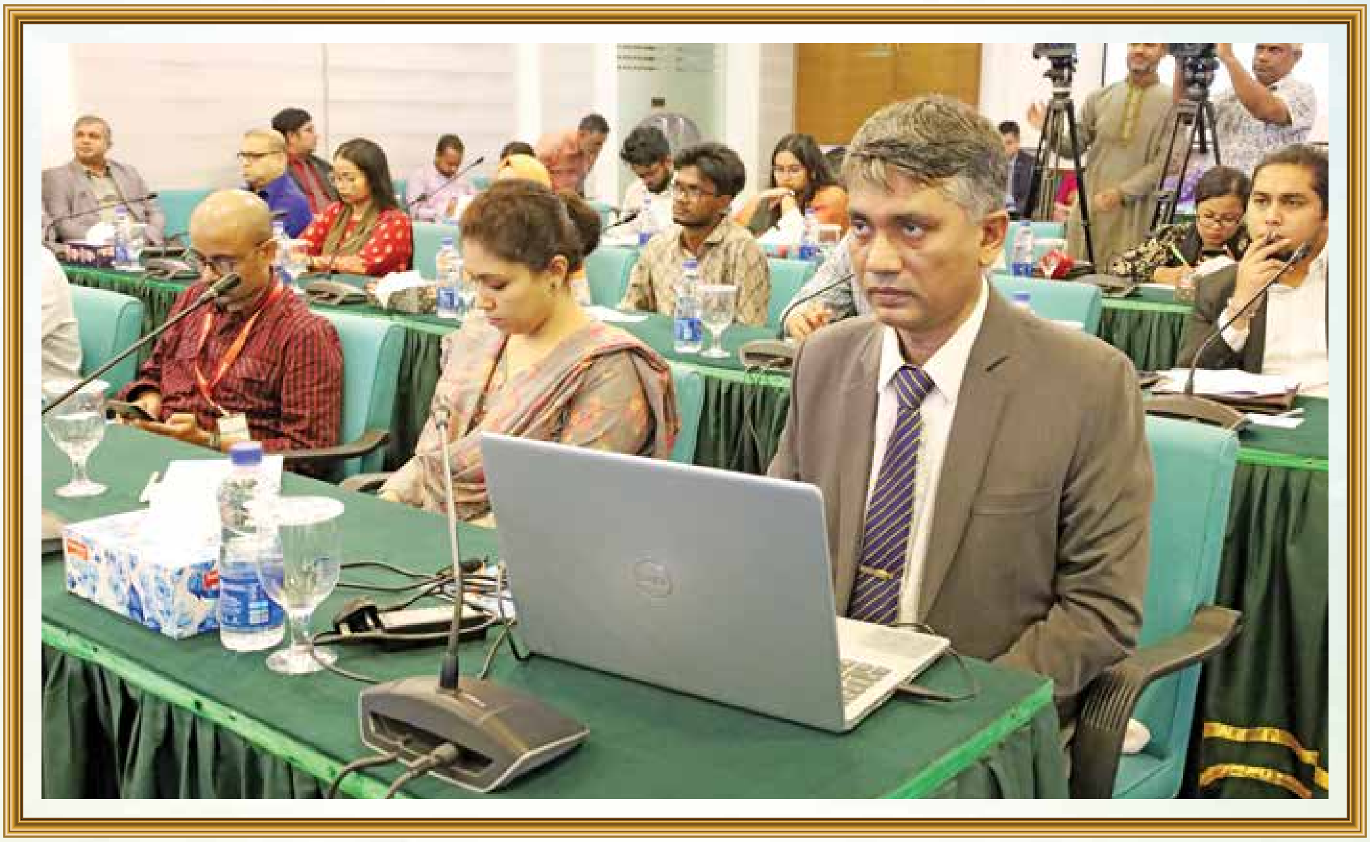
On the Adaptation Fund and Bangladesh, he stated that the Ministry of Environment, Forest and Climate Change (MOEFCC) is the Designated Authority (DA) of the Adaptation Fund. Bangladesh has received funding from AF for three projects so far: (i) Adaptation Initiative for Climate Vulnerable Offshore Small Islands and Riverine Char Land in Bangladesh with the granted fund of 9.9 million USD; (ii) Access to Safe Drinking Water for the Climate Vulnerable People in Coastal Areas of Bangladesh with the granted fund of 5 million USD; and (iii) Green, Resilient and Adoptive Chattogram Economy (GRACE) jointly proposed by ICIMOD and

UNCDF. He then talked about the GCF-8 Trust Fund. He informed that GEF Bangladesh's operational focal point, the secretary, Ministry of Environment, Forest and Climate Change has already endorsed two projects namely: “The Ecosystem-based Management of Hakaluki Haor” and “The Restoration and Conservation of Watershed Management in Chattagram Hill Tracts”.

He identified the major constraints for climate finance. First, the international financial support received so far for addressing climate change in Bangladesh is negligible. The developed country parties are committed to allocating USD 100 billion jointly per year from 2020 to address climate change in the most vulnerable developing countries. But this target has not been fulfilled yet. Moreover, in accordance with the climate finance negotiation, climate finance is supposed to be new and additional to official development assistance (ODA). However, in most of the cases, climate finance is merged with ODA by developed countries. Furthermore, global climate finance on adaptation remains insignificant. According to OECD (2022), mitigation had an 86% share of climate finance mobilised by developed countries and loans made up 71% of public finance in 2020 – a significant share which were non-concessional – while only 26% was provided as grants.

He provided several recommendations at the end of his presentation. First, there is a need to understand the funding mechanisms how the Adaptation Fund, the Global Environment Facility and the Green Climate Fund function. Emphasis should be given to understand the governance mechanism and the investment strategy for priority areas. He commented that a better understanding would result in developing good and strong proposals which is his second recommendation. Developing strong proposals is necessary with a view to convincing the board members. He emhasised quantifying present and futuristic climate risk assessment which needs to be translated into proper actions. He urged that more than a complete feasibility study is required for preparing a good and a strong funding proposal targeting any of the international financial entity. To address these challenges, building institutional capacity is imperative. He commented that as one of the officials involved in this process since 2013, he witnessed firsthand complexities and tensions surrounding the designation of the National Designated Authority (NDA) for the Green Climate Fund (GCF) in Bangladesh. There was considerable debate over whether the Ministry of Environment, Forest and Climate Change (MoEFCC) or the Ministry of Finance should assume this role. The MoEFCC argued that, as the focal point for the UN Framework Convention on Climate Change (UNFCCC), it was best positioned to manage the NDA. However, the government ultimately decided that the Economic Relations Division (ERD) under the Ministry of Finance would take on this responsibility, given its mandate to manage international cooperation. This decision, though sound, has brought to light significant issues in the capacity and effectiveness of the NDA Secretariat. Over the years, the Secretariat has experienced fluctuations in capacity and performance. For instance, it is crucial to consider how many individuals currently work in the Secretariat, particularly those with expertise in both procedural processes and the technical aspects of climate finance. Without subject matter experts who can accurately assess climate risks, translate them into actionable adaptation solutions, and develop robust funding proposals the NDA's ability to secure international climate finance remains limited. While the actual development of funding proposals is often handled by accredited entities like private sector partners or international organizations, the

NDA is responsible for the crucial task of assessing and appraising these proposals. If the Secretariat lacks the necessary expertise, it raises serious concerns about the quality and effectiveness of these appraisals. This gap highlights a broader issue in our national approach: a lack of focus on institution-building. As the Secretary General of the Bangladesh Institute of Planners, he emphasised that the nation needs to prioritise the development of strong institutions. Ten years have passed since the NDA was established, and it is essential to critically assess the current capacity and institutional structure of the NDA Secretariat. All funding proposals must align with national priorities, as outlined in key strategic documents like the Delta Plan, the National Adaptation Plan, the Mujib Climate Prosperity Plan, and the Bangladesh Perspective Plan. Additionally, there is a need to strengthen the efforts in leveraging, monitoring, and evaluation, and be more vocal and assertive in international negotiations. Building networks and partnerships, and utilizing technology and innovation, are also crucial to enhancing our capacity to secure and manage climate finance effectively.



In conclusion, he stated that the international climate finance architecture is complex and challenging to navigate. Bangladesh has made strides in accessing these funds, but there is still a need for capacity building, innovation, and stronger institutions to ensure that we can effectively address the challenges of climate change. There is a need to continue to advocate for fair and transparent mechanisms in international negotiations while also strengthening the domestic capabilities to access and utilise climate finance effectively.

Presentation on

"Innovative Financial Mechanisms for Climate Change"

Dr Mohammad Abu Yusuf

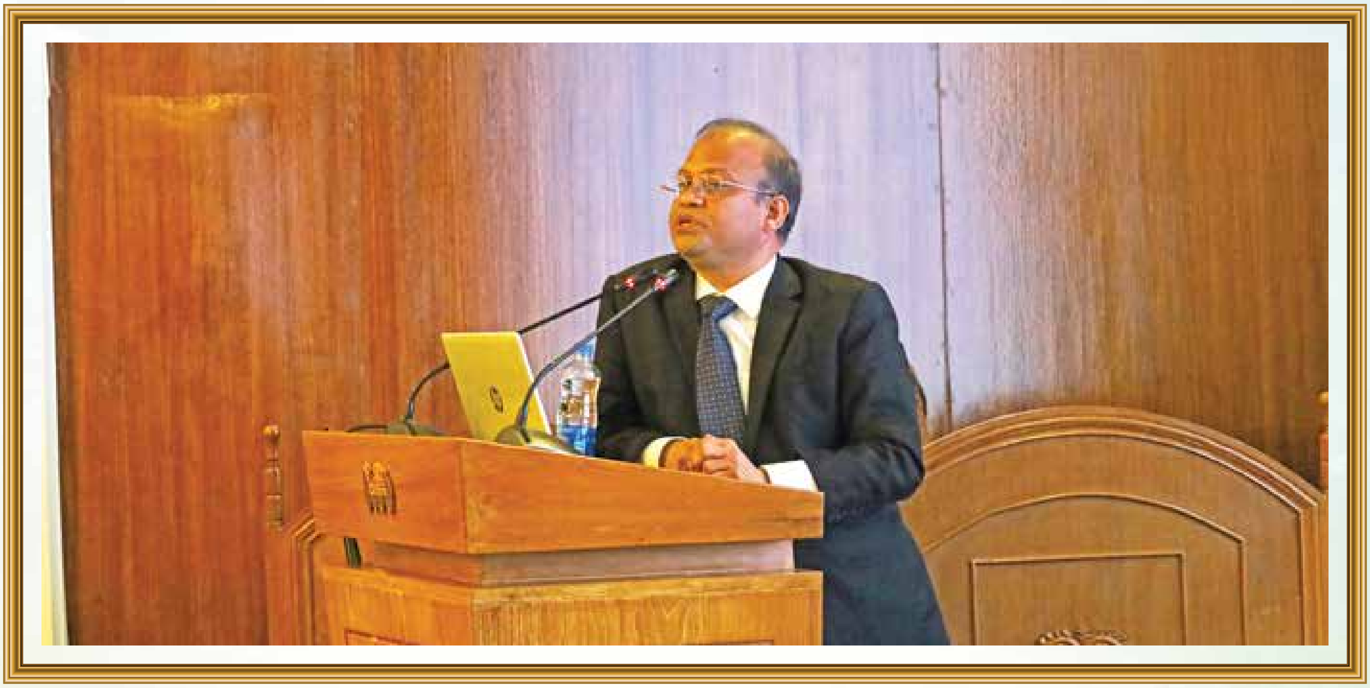
Additional Secretary, Finance Division

Ministry of Finance, Government of the People's Republic of Bangladesh

Dr Mohammad Abu Yusuf began by acknowledging the informative presentation made by the previous two presenters who elaborated the finance structure, mechanisms, landscape, and constraints. He then briefly mentioned that he keenly interseted in climate finance issues realizing the importance and relevance for Bangladesh. Dr Yusuf pointed out that the earlier speakers have covered much of the ground, which simplified his presentation. Consequently, he has chosen to present case examples from the international arena rather than focusing solely on Bangladesh.

He then offers a few introductory observations to provide context for his presentation. The first two speakers highlighted the substantial need for climate financing for both adaptation and mitigation. Dr Yusuf agrees, emphasising that Bangladesh, as a severe victim of climate change, requires more adaptation finance. However, he notes that global private finance is complex, and development partners and developed countries tend to favour mitigation projects. In his role, Dr Yusuf observes that a significant proportion of proposals from development partners, roughly 80 per cent, focus on mitigation rather than adaptation. He cites the Honourable Prime Minister's call for a balanced approach between adaptation and mitigation finance, recommending a 50/50 split rather than an imbalance that currently exists. According to the national adaptation plan, Bangladesh will require an estimated USD 230 billion from 2023 to 2050, with an annual need of approximately USD 8 billion. Dr Yusuf questions how much of this the government can realistically provide.

Dr Yusuf continues by referencing a previous speaker who noted that last year, the estimated climate-relevant allocation for the country was USD 336.7 million. For the 2024-25 budget, this allocation has been estimated to rise to USD 3.91 billion or slightly more. Dr Yusuf, who was involved in tracking the climate budget, notes that this amount is not substantial in the grand scheme. He raises the point that despite the existential threat posed by climate change—manifested through extreme weather events, salinity, sea level rise, and climate-induced internal migration—the government faces competing priorities such as health, education, infrastructure, and social safety nets. These priorities make it challenging for the government to allocate substantial funds for climate change despite its intentions.

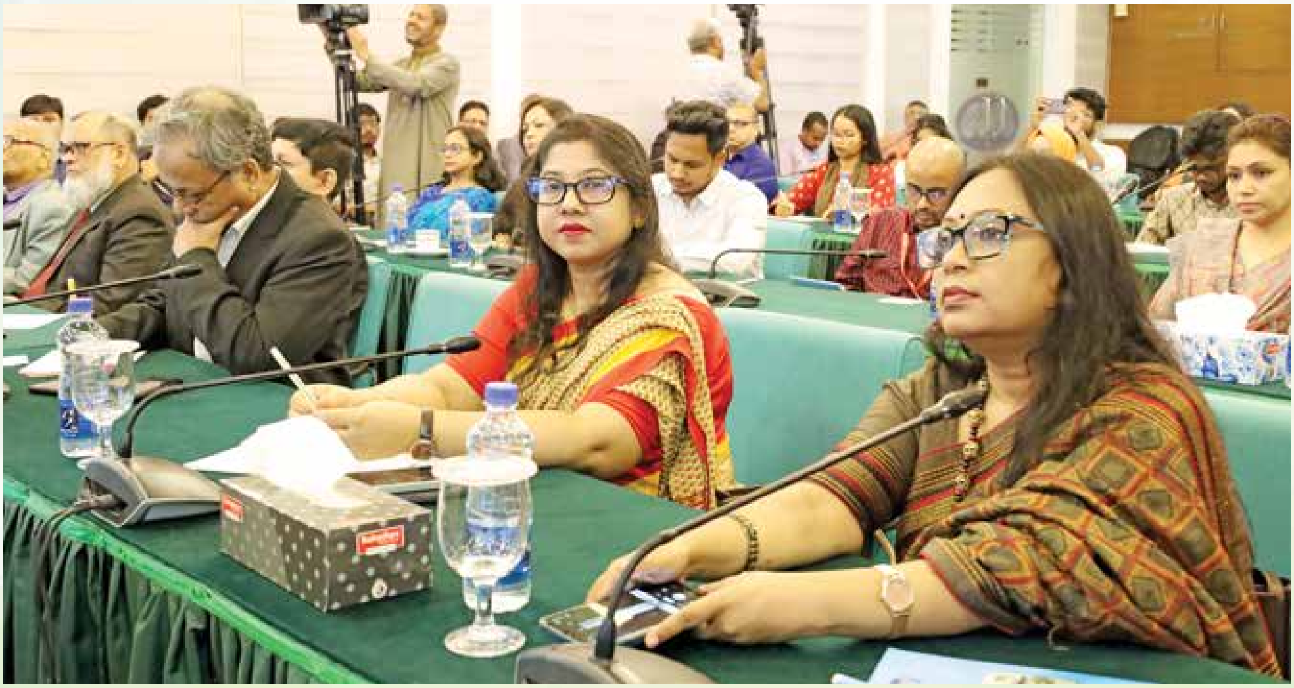


Dr Yusuf suggests that international financing is a crucial alternative. He concurs with the previous speakers that the international climate financing landscape is very complex. The rich countres committed to support developing nations with climate change finance after signing of the Paris Agreement and Kyoto Protocol. He highlights that obligate rich countries to support developing nations with climate change finance. However, there remains a significant gap between the promises and the actual support provided. According to a 2024 article, emerging markets and developing economies, excluding China, will need to spend approximately USD 2-4 trillion annually by 2030. Estimates by the independent high-level expert group on climate finance, as commissioned by the United Nations Climate Change Conference in 2021, suggest that around USD 1 trillion per year must come from external sources. Dr Yusuf notes that developed countries had promised to generate USD 100 billion in climate finance each year, but they have yet to fulfil this commitment.

Dr Mohammad Abu Yusuf continues by addressing differing opinions on the quantum of climate finance supported by the international community. He notes that the OECD's 2022 report claims USD 83.6 billion has been disbursed as climate finance, while an Oxfam Report 2018 challenges this figure. The discrepancy arises from the lack of an internationally agreed definition of climate finance. A significant issue is the loan-to-grant ratio, which stands at 80:20. Dr Yusuf highlights that there is a common misconception that international climate finance is received solely as grants, whereas, in reality, many of these funds, including budget support, are soft loans with interest, albeit at lower rates.

He argues that developed countries, which are primarily responsible for carbon emissions, have both a moral and legal obligation to provide financial support. He refers to the GCF, which, as of his knowledge, has supported only nine or ten projects amounting to less than half a billion dollars. Accessing GCF funding is complex. Dr Yusuf shares insights from Dr Fazle Rabbi Sadeque Ahmed who has experience in preparing GCF proposals and has reported that developing a project proposal can be costly and time-consuming, sometimes requiring millions of dollars. He cites an example from COP 26, where a presenter had to demonstrate that flooding in the Maldives was attributable to climate change, reflecting the stringent requirements for proving climate rationality.

Dr Yusuf emphasises that it is impractical for the government to fund all the necessary adaptation and mitigation efforts due to competing priorities. Therefore, international financing and private sector involvement are crucial. He suggests exploring innovative financing instruments, such as blended financing, which involves combining public and private finance and blending loans, grants, and equity to enhance the risk-reward profile for investors. He also mentions blue finance and blue bonds as additional avenues worth considering.



Dr Yusuf then discusses the role of the ocean as a significant carbon sink, capturing around 31 per cent of atmospheric carbon dioxide. He suggests that improving the ocean scenario using proceeds from climate bonds could help decarbonise maritime transport, promote low-carbon aquaculture, and increase offshore renewable energy. He emphasises that all proceeds from these bonds should be dedicated to climate-related projects. Afterwards. he explains the distinction between climate bonds and commercial or corporate bonds. Climate bonds, also known as "proceeds-only" bonds, require that the generated funds be used exclusively for climate-related purposes. He discusses various types of climate-related investments, including climate resilience bonds and impact investment funds. These investments are made by individuals, communities, and industrialists who are committed to sustainability and making a positive impact on people's lives.

He highlights the importance of insurance solutions, particularly for protecting and enabling nature-based solutions. Parametric insurance is mentioned as a potential option, which will be further illustrated in a case example. Pool investment funds are another concept he addresses, with a focus on the biodiversity crisis. Dr Yusuf notes that climate adaptation bonds are challenging, as it is easier to generate returns from mitigation projects compared to adaptation projects. However, there are limited opportunities for profit in adaptation projects, such as climate-smart agriculture and seed varieties.

Dr Yusuf also mentions green finance, including the Green Climate Fund, and introduces the concept of innovative financing facilities for climate in Asia and the Pacific. He opines that this multi-donor financing facility represents a departure from traditional climate financing models, which typically involve either loans or grants.

His discussion then moves on to innovative financing solutions for climate change. He highlights that there are multiple sources for financing beyond private firms, international communities, development partners, and governments. He introduces the concept of blended finance, which includes various components such as blended finance loans, equity, and subordinated debt. In this context, he explains the roles of different types of investors, including first-loss investors and subordinated equity providers. For example, the GCF may provide funding while assuming higher risk to attract other participants, particularly private sector investors.

Dr Yusuf acknowledges the role of development partners and highlights the GEF as a leader in blended financing. He notes that Bangladesh's Palli Karma-Sahayak Foundation (PKSF) has been successful in securing significant projects through GCF funding. The World Bank is also actively involved, offering various proposals. Currently, the Ministry of Finance and the World Bank are in serious discussions to receive additional budget support for Green and Climate Resilient Development (GCRD), which will incorporate climate aspects.

He emphasises that climate financing is a critical topic, with each funding opportunity now including a climate component. Dr Yusuf advises his colleagues to stay informed about climate financing developments. He also mentions that the International Monetary Fund (IMF) and the United Nations Development Programme (UNDP) have supported the implementation of the IBFCR project, which helps track climate finance allocations to different ministries.

Despite these advancements, Dr Yusuf points out that Bangladesh, like Indonesia and Vietnam, still needs to develop mechanisms to separately account for and report on mitigation and adaptation budgets. He then discusses various international climate finance mechanisms and provides examples from other countries to aid his colleagues in designing their own projects. He notes that, despite the complexity of the international climate finance landscape, it is crucial to build capacity and present strong arguments for the relevance and rationale of proposed projects to access funding. He mentions the European Investment Bank as first international sources working in the climate finance sector.

Dr Yusuf then presents case studies from other countries to illustrate successful models and inspire similar approaches in Bangladesh. The first case is Aquafondo, a water fund established in 2010 in Lima, Peru. Peru, historically plagued by severe droughts and limited rainfall, created this fund to address water security issues. Aquafondo receives funding from international agencies, including the GEF and the Climate Policy Initiative. The fund's core sources of finance include membership fees, grants, donations, and their own resources. Notably, it issues donation certificates, which provide tax exemptions for contributing companies, thus offering an incentive for private sector participation.

The second case involves an insurance scheme in Mexico designed to protect and enable nature-based solutions for hurricane coverage. This insurance focuses on coral reefs, which, when maintained and protected, help reduce the impact of storm surges and lessen storm power. As a result, this protection reduces damage to land, beaches, property, and people. The insurance scheme not only provides coverage but also generates revenue from tourists attracted to the protected areas.

He then presents a third case of the Prince Hendrik Project in the Netherlands, an adaptation project involving risk reduction through insurance mechanisms. He briefly mentions this project and suggests that further details can be reviewed later. Next, Dr Yusuf introduces the fourth concept of Blue Bonds, which complement traditional green bonds by focusing on marine resource protection. Blue Bonds aim to address issues like ocean acidification and carbon dioxide capture, supporting the conservation of ocean resources. He notes that the proceeds from Blue Bonds are used for projects with a significant environmental impact, such as those in the textile sector that demonstrate a commitment to sustainability and waste reduction. He then discusses a fifth project related to the governance of fisheries in the southwest Indian Ocean. This project uses blended financing, combining grant resources with non-grant resources to reduce the cost of capital and attract private sector investment. This approach is designed to facilitate shared growth and effective management of fisheries.

Afterwards, Dr Yusuf highlights the GEF and its role in blended finance. The GEF has allocated USD 136 million to projects, with co-financing from other contributors. The funds are used for various financial instruments, including concessional debt, subordinate debt, risk mitigation products like credit guarantees, and equity instruments. He then presents another case, one from Africa, which is the Moringa Agroforestry Fund focusing on land management. Dr Yusuf then emphasises that climate finance is an evolving field with many emerging funds and mechanisms. He encourages increased capacity to understand and access these funds, noting that various types of bonds and special funds exist under different names. He stresses the importance of knowing the available financial instruments and sources for climate proposals, ending on a hopeful note for future opportunities.

Dr Yusuf then highlighted positive developments in blended finance commitments. He presents a slide showcasing various commitments made from 2017 to 2022, including those from the Federal Ministry of Economic Cooperation, Germany, the European Development Finance Institute, the United Kingdom, NRD and Climate Fund for the private sector, the Japan International Cooperation Agency, the Clean Technology Fund, Climate Fund, and the USA, among others.

He reflects on the principle of "common but differentiated responsibilities" from the Paris Agreement, emphasising that while climate change is a global concern, the responsibility to support countries affected by climate change falls primarily on developed nations. Dr Yusuf notes the importance of avoiding "greenwashing" in climate projects and stresses the need for genuine support for climate-vulnerable countries. He expresses concern that the promised USD 100 billion in climate finance has not yet been fulfilled and points out the lack of a clear definition for private finance. Dr Yusuf stresses the need for additional, new climate finance and cautions against confusing climate finance with development assistance. It is crucial to ensure that climate finance is truly additional and not repurposed from existing development funds.

Before concluding, he highlighted the importance of adhering to fiduciary requirements, particularly those of the GCF. It is essential to substantiate claims for funding with clear evidence that the issues addressed are due to climate change. Dr Yusuf then concluded with his call for increased capacity building and raising awareness of the severe consequences of climate change.

Open Discussion

Dr Fazle Rabbi Sadeque Ahmed

Deputy Managing Director
Palli Karma Shahayak Foundation (PKSF), Bangladesh

Thanking the Chief Guest, Panelists and the participants, Mr Fazle Rabbi began his speech by sharing his perspective on Climate Finance. According to the United Nations Framework Convention on Climate Change (UNFCCC), money which flows from developed to developing countries is called climate finance at the international level. But at the national level whatever is spent on climate mitigation, adaptation, loss and damage is referred to as climate finance. However, the speakers, including Dr Yusuf and others noted that there is no agreed definition of climate finance, because of which the calculation of climate change finance is irregular. For example, the cost of climate change finance in one city is 83 billion USD but 20 billion USD in another. One thing that is happening which is considered unethical or abnormal is that double counting and duplication has become very common when calculating international climate finance. Mr Rabbi stated that there are two terms for climate finance: "new" and "additional." "New" means that climate finance should not be declared more than once and "additional" means that it should not be beyond the Official Development Assistance (ODA). But what is happening practically when it is calculated is that it is not "new" nor always "additional". In last year's Dubai Conference, it was mentioned that around four to five trillion USD is required to address all the climate change issues, such as adaptation, mitigation. In 2010, it was also decided that starting from 2020, 100 billion dollars would be generated and dispersed per year. But now there is a discussion at the event level that from 2025, it will be changed. This is referred to as NCQG, the New Collectively Quantified Goal on climate finance. Dr. Rabbi was present at the just concluded meeting in Germany on Climate Change Finance, where the developing countries proposed a number of 1.3 trillion USD per year. Nevertheless the problem is not only with the quantity; there are qualitative aspects also. Citing the Article 9.4 of the Paris agreement, Dr Rabbi said that the adaptation finance should be grant based, but 70% of the adaptation funds are loans, often at market rate. He raised concerns about whether such funds should be considered climate finance, as they can create new debt crises for South Asian and African countries rather than helping them. Mentioning UNFCCC funding windows such as Adaptation Fund, Green Climate Fund, and the Least Developed Countries Fund, he said that these funds are more acceptable as they have governing bodies where representatives can express their concerns. However, out of 100 billion USD only 1-2% of the money goes to these funds, and the larger part of the funds flow through bilateral agreements which drastically reduces the quality of the fundings. He then said that access to adaptation financing is only 10% and proposed that it should be at least 50% as the whole process is very very complicated and time consuming compared to mitigation funding. Referring to the upcoming Baku conference in Azerbaijan, he said that discussions on the NCQG will continue, determining the flow of climate finance from 2025 to 2030 and beyond. The focus will not only be on the quantity of funds but also on ensuring quality access and preferential treatment for vulnerable countries. He then concluded his speech by thanking everyone.

Ms Farah Kabir

Country Director
ActionAid Bangladesh

Expressing gratitude to everyone and praising the speakers for their eloquent speech on climate finance, Ms. Farah Kabir commenced her speech by stating that climate finance is deeply rooted with geo-politics and global politics. Mentioning the rich countries' failure to agree on a proper definition of climate finance, she pointed out that the 100 billion USD that was supposed to come annually has not yet been delivered. In addition, the current arrangement is set to end in 2025. She noted that Mr. Fazle Rabby has mentioned about the making of a new arrangement and said that whether it is the old or new arrangement, the trend over the past two decades has always shown that the rich countries are more interested in investing trillions of dollars in banks and fossil fuel industry but are hesitant to finance climate action. Referring to a research which found out how trillions of dollars were being channeled by developed countries into banks and fossil industries, she suggested that the issue is not a lack of funding but a lack of political commitment and the influence of geopolitics and national interests. According to Ms. Kabir, Bangladesh made noteworthy efforts since 2008, as illustrated by the presentations of the three speakers. In spite of these efforts, there is a need for more advocacy and lobbying to hold wealthy countries accountable and also the current structures and architecture are not designed to benefit the vulnerable countries. Also, they do not address power inequalities and this is why platforms such as LDC (Least Developed Countries) group and the vulnerable forums exist. She proposed that by increasing tax-to-GDP ratios by 4% using progressive tax measures to address tax avoidance and by targeting the wealthiest corporations (10%) and individuals, holding them accountable because climate change has become a crisis that affects everyone, the developing countries could raise a trillion dollars for climate action. She highlighted that the private sector has to come out of the delusion that their business and profits are insured and understand that no one is safe unless everyone is safe from the impacts of climate change. Mentioning about her recent talks with a multinational company, where the company faced increased production costs due to water shortages, she emphasized that even the rich private companies are not immune to the climate crisis. Finally, she concluded her speech by highlighting that the developed countries need to be accountable and come out of their delusion that they are doing charity by donating these funds and understand that they are also not safe until the climate crisis issues are resolved.

Major General (Retd) A S M A Awal

Expressing gratitude to the chair for the opportunity to speak, Mr Awal began his speech by mentioning that a few days ago he was listening to the UN Secretary-General, during which the Secretary General made statements about the progress of the Sustainable Development Goals (SDG) which is closely linked with the climate mitigation issues. The Secretary General appeared to be frustrated during his statement. Mr Awal did not fully grasp the extent of his frustration. However, upon contemplation, he understood why the Secretary-General had sounded so frustrated. Alluding to the three global mechanisms mentioned during the session, he pointed out that the SDG progress has been dismal, with only 17% achieved and only six years left to achieve the target. He then expressed satisfaction that Bangladesh was doing well in meeting the goals and thanked Ms. Farah Kabir for elucidating how Bangladesh's success was linked to various projects. While talking about the UN Framework Convention on climate change and the Paris Agreement, Mr Awal expressed that the Paris Agreement was the most worrying part as it is the global framework for addressing climate change. According to the Paris Agreement, by 2050 the greenhouse gas emission is supposed to be contained to 45% and by the turn of the century it is supposed to be near zero. However, the latest data reveals that by 2030 there will be a 9% increase in greenhouse gas emission and the global temperature would likely rise by 3 degree celsius by the end of the century, far above the target of 1.5 degrees. Mr Awal then requested all the climate advocates to impress upon the developed countries and make them realize that for their own survival, it is important to do climate financing. He then emphasized the need for subject matter specialists to be involved in the process of integration of climate vulnerability into future budgeting and planning processes. Lastly Mr Awal expressed concern about SDG 14, which focuses on life below water and expressed sorrow that it has not been eloquently addressed, in spite of the fact that the ocean plays a significant role in absorbing carbon dioxide and producing oxygen. He expressed sorrow that there is no word on protecting the Bay of Bengal Large Marine Ecosystem, which spans eight countries in Southeast Asia and South Asia, covering 6.2 million square kilometers. He concluded his speech by asking if there were any thoughts or plans regarding the protection of SDG 14.

Air Commodore (Retd) Isfaq Ilahi Choudhury

Register

East West University, Bangladesh

Mr Isfaq Ilahi Choudhury expressed his gratitude before asking several questions to the panelists and the special guests and mentioned that it was the first time that he had heard about the Amazon fund. The fund has grown from a few million dollars project to a billion dollar project. He then asked the panelists about the possibility of establishing a "Sundarban Fund" in which Bangladesh and India will collaborate on a similar initiative to protect the Sundarbans, a vital area that is under threat and plays a significant role in mitigating climate risks. Additionally, he raised concerns about the Teesta project as it requires a large amount of investment and may have climate implications, including people getting displaced and poverty rising amongst the local people. He, again, asked the panelists if it is possible to attract funds from all the sources that they mentioned such as IMF, World Bank and others. Finally, Mr Choudhury spoke about the renewal of Ganga water treaty and the challenges of salinity in southern Bangladesh and inquired whether it is possible to bring out climate-related projects to these areas to secure funding and concluded his speech by emphasising the significance of grants for Bangladesh in addressing these environmental challenges.

H E Sheela Pillai

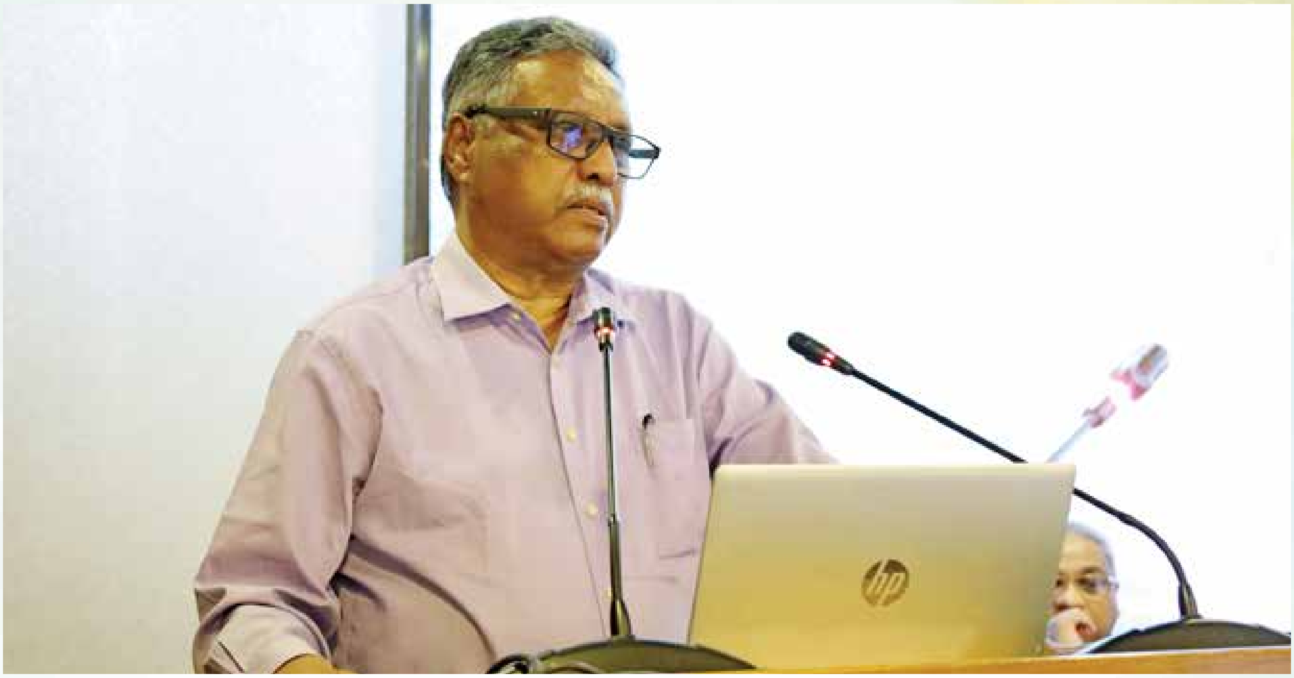
Consul

Singapore Embassy in Bangladesh

Thanking the chairman and BIISS for organising such a significant seminar, Ms Pillai began her speech with two brief points. Firstly, she refers a recommendation made by Mr Ahsan from IUCN in his last slide regarding building institutional capacity and emphasising its critical importance. As part of Singapore's efforts to contribute to building a sustainable future, she mentioned that the Singapore Cooperation Program offers a various number of courses specifically for understanding climate financing, preparing sustainability-related financial reporting, and similar topics. She then mentioned that a course in January had already been missed and pointed that there is an upcoming one on green financing, which will be in September. She then extended her invitations to officials from the

Ministry of Finance or Ministry of Environment and urged them to coordinate with her quickly as the deadline is June 26. Additionally, she mentioned that there are several other courses related to green finance and climate change in the pipeline, promising to keep the ministries informed. The second point that she addressed was raised by the Additional Secretary of Finance regarding the destination of climate funds and whom to approach with proposals. She added that, in December at COP, Singapore announced that they will launch a new blended finance initiative known as “Financing Asia’s Transition Partnership” (FAST). It aims to mobilize up to USD 05 billion dollars to specifically support marginal climate-focused projects who have minimum acess to the banks in Asia. She then finally put an end to her speech by suggesting that Bangladesh might consider this fund when it becomes available, as it is a very Asia-focused funding initiative.

Remarks by the Special Guest



Dr Ainun Nishat

Professor Emeritus
BRAC University, Bangladesh

Dr Ainun Nishat stated that the global community often fails to adequately monitor and respond to the rapid changes occurring in the world. The 60th session of the Subsidiary Body for Scientific and Technological Advice (SBSTA) highlights the urgency of climate governance. During this session, representatives from 189 countries, along with a few recognised non-sovereign entities, convened to assess progress and formulate new decisions regarding climate change. These gatherings, which occur biannually, are critical as they ensure that all parties—comprising both sovereign states and partner entities—are actively engaged in the process of decision-making on climate issues. The pace of global developments is accelerating, and it is clear that the leaders of these 189 parties no longer view climate change as a distant or speculative concern; it is an immediate and pressing reality.

He then mentioned about the significant cyclone, identified as Hurricane Beryl, that was impacting the Caribbean Islands and was expected to move toward the United States. The designation of this storm with the letter 'B' indicates it is the first major event of the year. This event has surprised many in the United States, as such cyclones are typically expected to occur in the second week of August, yet this one arrived in the first week of July. This phenomenon is not isolated, as similar unexpected patterns are being observed worldwide. Reports indicate that the world's oceans, in addition to terrestrial regions, are experiencing unprecedented warming. This increase in ocean temperature acts as a source of fuel and energy for cyclones, contributing to their intensity and frequency. Projections for this year suggest that the Atlantic coast could witness between 15 and 25 cyclone events, with similar trends potentially occurring in the Indian Ocean. Last year, five major cyclones were recorded, and Bangladesh narrowly escaped severe impacts. Recently, a cyclone formed, followed by a depression in the Bay of Bengal, which is expected to result in heavy rainfall over the next five days. The question arises: Is Bangladesh prepared to face these challenges? The answer appears to be negative. Short-duration, high-intensity rainfall could overwhelm the urban infrastructure across Bangladesh. For example, Rangpur experienced 450 mm of rainfall in a single day in 2020, and 250 mm in one day in 2021. Should the country experience similar rainfall levels, the result would be widespread flooding. Are the drainage systems equipped to handle such events? Bangladesh has developed comprehensive documentation on climate change, with the National Adaptation Plan identifying 14 hazards, including hailstorms, lightning, and drought. This year, the monsoon arrived 7-8 days earlier than usual, and it is predicted that both the intensity and frequency of natural disasters will increase. This necessitates heightened vigilance and preparedness.

While talking about mitigation he said that the global discourse on climate change currently centers on eight key building blocks. The first of these is mitigation, which involves reducing greenhouse gas emissions. Bangladesh, although not a major contributor to global warming, has been largely exempt from mandatory mitigation activities. The country's nationally determined contributions (NDCs) are self-determined, and external entities cannot impose specific emission reduction targets. Bangladesh has committed to a 6% reduction in emissions by 2030, conditional on the availability of appropriate technology and financial resources. The Mujib Climate Prosperity Plan, developed by international consultants, commits to a 40% reduction, though questions remain regarding the feasibility of achieving this target. Since the 1992 Earth

Summit, the world has been divided into two blocs: Annex I countries, which are wealthy and predominantly members of the Organisation for Economic Co-operation and Development (OECD), and non-Annex I countries, which are primarily developing nations. The Paris Agreement of 2015 further subdivided the global community into three categories. The first category consists of wealthy nations responsible for significant mitigation efforts to prevent the predicted rise in global temperatures. The second group comprises advanced developing countries, such as China, India, and South Korea, which are now among the world's largest emitters of greenhouse gases. Bangladesh, as Least Developed Country (LDC), remains exempt from stringent mitigation requirements for the time being.

Regarding the discussion on adaptation, he stated that the second key focus of the global climate agenda is adaptation. Bangladesh ranks as the eighth most vulnerable country to climate change impacts. Although Bangladesh could potentially be the most vulnerable, the method of calculation, particularly the exclusion of death tolls from past events such as the 1991 cyclone, influences the ranking. For Bangladesh, adaptation remains the most viable strategy. During his visit to Bangladesh, French President Emmanuel Macron emphasised the importance of focusing on adaptation and biodiversity conservation, with France committing €1 billion in support. However, it is crucial that Bangladesh is prepared to effectively utilise these funds, and it must articulate a clear plan for their use.

Following mitigation and adaptation, he discussed the third critical issue being debated on the global stage, which is finance. Despite initial commitments, the global community has yet to fully honor its financial pledges. The recent refusal to carry out stocktaking, an earlier decision, underscores the challenges ahead. Current projections suggest that global temperatures could rise by 3.7 degree Celsius, which would have catastrophic consequences, including severe food shortages. The food insecurity experienced in Bangladesh following the 2017 floods in Sylhet has not yet been fully addressed, highlighting the vulnerabilities that persist.

The fourth area the world is debating is capacity-building. He said frankly that Bangladesh lacks the capacity. In response to these challenges, a research center in Bangladesh has conducted 30 training programs aimed at enhancing climate resilience. However, despite this training, government officials have struggled to apply their knowledge in their respective institutions. Each government department operates according to its own rulebook, which may hinder the effective implementation of climate adaptation and mitigation strategies. It was recommended that each ministry must revise their agenda focusing on specific sector.

He mentioned that the world is ready to offer technology, but Bangladesh must first obtain a clearance certificate from the DG Environment to benefit from it. Regarding finance, he noted that the main bottleneck for accessing the Green Climate Fund (GCF) lies with the Economic Relations Division (ERD), which often delays approvals due to infrequent meetings. For the Global Environment Facility (GEF), the responsibility falls on the Ministry of Environment, but this fund is relatively small compared to the GCF.

Regarding the issue of compliance, he highlighted that Bangladesh is not yet fully prepared. The Paris Agreement of 2015 clearly mandates compliance, which involves seven key conditions:

transparency, accountability, partnership with the private sector, inclusiveness, measurability, reportability, and verifiability. He emphasised that Bangladesh currently uses Logical Framework Analysis instead of the recommended Theory of Change, indicating a need for policy and procedural updates. Additionally, he touched on the importance of focusing on long-term goals, such as limiting global temperature rise to within 2 degree Celsius, though he expressed skepticism about achieving this target. As a result, he urged Bangladesh to prepare for the inevitable adverse impacts of climate change.

While funds are theoretically available, with a global promise of US$100 billion annually, he argued that the actual amounts received by Bangladesh are significantly lower. Moreover, he questioned whether Bangladesh is ready to effectively utilise these funds, given the stringent conditions attached to them, including offers of concessional loans at a 0.75% interest rate, which require swift action to secure.

The last part of his speech focused on the global climate negotiation process which is highly complex, requiring consensus among all parties, which makes decision-making challenging. Negotiations are conducted through group alliances, including the European Union and the Advanced countries. The Environment Integrity Group consists of Switzerland, South Korea, Mexico, Liechtenstein, Monaco and Georgia. Another one is the G77 and China, with Bangladesh currently representing the Least Developed Countries (LDCs). However, this status may change in the next 3-4 years, necessitating a reassessment of Bangladesh's position. He suggested Bangladesh to consider joining the BASIC group (Brazil, South Africa, India, and China) or the Like-Minded Developing Countries (LMDC). Alternatively, Bangladesh could form a negotiation bloc with active SAARC members like Nepal, Bhutan, the Maldives, and Sri Lanka. He recommended joining the BASIC and LMDC groups to ensure that Bangladesh's voice is heard in global climate negotiations.

Remarks by the Chief Guest

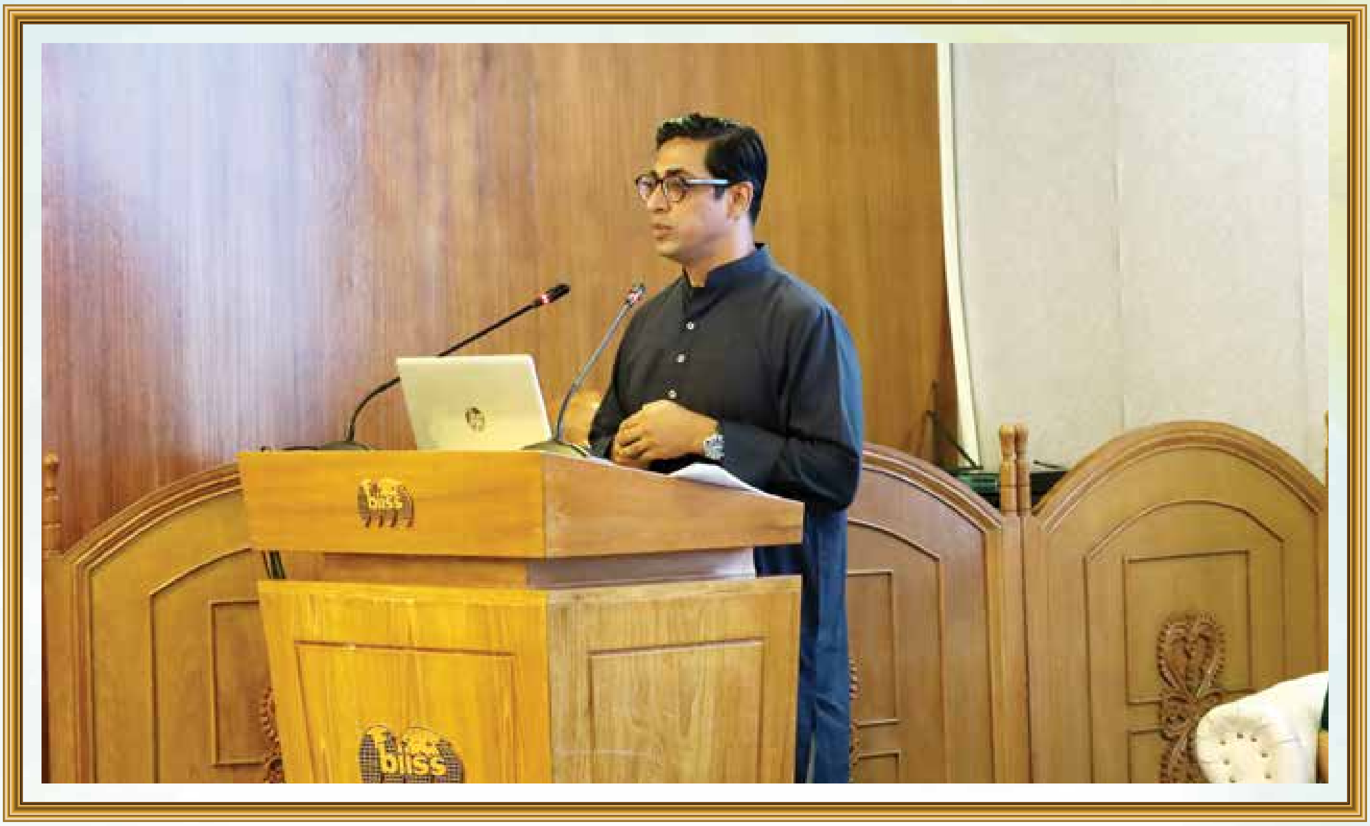
Mr. Nahim Razzaq, MP

Convenor, Climate Parliament Bangladesh and
Member, Parliamentary Standing Committee on Ministry of Foreign Affairs,
Government of the People's Republic of Bangladesh

Climate emergency had already been discussed in the seminar. Bangladesh is among very few countries in the world whose national parliament declared and adopted climate emergency. This reflected the understanding of and importance it put on climate change. The country's honourable prime minister was one of the few Heads of States not to wait for global funding, but rather creating own climate resilience funds. These initiatives were taken in Bangladesh's own ways to tackle climate change which is affecting 170 million people, one of the largest populations in the world. It is one of the most vulnerable countries in the world also, as said by Dr Ainun Nishat. The indicators and frameworks in terms of assessing how vulnerable it is, make it the 7th or 8th in rank, but by far, the GDP loss is more or less 2 per cent per year, which means a loss of around USD 1 billion a year due to climate change, not mentioning the hugely affected areas across Bangladesh; climate migrations are taking place in those areas and nearly 50-56 per cent of people are living in high exposure areas in the country. Mr Razzaq said, the session today highlighted several key areas related to climate change. According to him, there are three broader groups of areas who should work together to find solutions. One is the legislative body, which consists of national parliaments where legislators are tasked with developing policies, have oversight mechanisms, and they should be integrated into the whole process. He said, his presence in the seminar showed the importance of that. Second comes the executive body consisting of government agencies and other agencies. He referred in this regard to the Ministry of Finance representative and others who are assigned with responsibilities of executing. Finally, there is the bigger portfolio, i.e., stakeholders--civil society, think tanks and others. These three group need to work together for finding solutions. The issue of mindset was a vital one. Here he highlighted the fact that Bangladesh was looking forward to obtaining available funds globally. However, the funds need more or less to be grant category, and not loans. Bangladesh is entitled to receiving such grants because it is not among the emitters of CO2, but instead countries who are doing so, should be contributing and Bangladesh should be receiving the funds in the form of grants. He suggested trying to follow a different approach going forward. There remains also a need of changing the mindset in Bangladesh, thinking more smartly and innovatively, to raise funds. The global capital market is absolutely massive. Some recommendations came regarding Amazon funds and Bangladesh could look into mangrove forests, the Hill Tracts, the Blue Fund across the board that is there, etc. Hence, there arises the need for building partnerships with the global capital market. He then referred to the ambassador of Singapore who was present in the seminar. Singapore is one of the most notable capital markets. Bangladesh could seek to take their assistance for capacity building and collaborate. As far as Mr Razzaq was concerned, Bangladesh was trying to develop green bond funds through the Ministry of Energy which is an ongoing process. Other such options had also been explored. It was a good model that could be looked into for raising funds so that there could be investement in adaptation or any other format that could be proceeded with. Bangladesh needs funds so that it can adapt and put the money into adaptation projects. Nonetheless, there existed lack of oversight, transparency, efficiency in terms of implementation and that was very clear. It did not matter if the person was part of the government or anything else but that was very apparent. Hence, partnerships should be built and public-private partnerships would be the way forward, as he believed. Such partnerships should be going forward in terms of raising UN funds, addressing oversight and implementation. This was the core component that all would require to look forward to.

On institutions and frameworks within the government, he opined that the two ministries that should advocate for, engage in efforts to raise funds, and mobilize them, are the Ministry of Environment, Forests and Climate Change, and the Ministry of Finance. The importance he attached to the first ministry was the core component of their task which was to tackle climate change. The Bangladesh government led by Prime Minister changed the name of this ministry by adding climate change; that should be the focal point. There were 21 to 26 ministries who were doing enough work, but there was the need of one ministry and under that ministry, there should be one institution who should be tracking and mobilising all funds, in collaboration with the Ministry of Finance as they had to work with the financial part of the process.

Multiple projects are undertaken across different ministries in Bangladesh. Saber Hossain Chowdhury, Minister for Environment, Forests and Climate Change, undertook a major initiative, which Mr Razzaq along with his colleagues in the Climate Parliament Bangladesh, had been supporting, to streamline resources. A number of projects were being financed by different development agencies and those were being replicated. But that could not be allowed to happen because of resources being limited. Hence, Mr. Chowdhury is trying to create a mechanism



where development agencies and countries can collaborate, to see who was going to invest or provide funds in certain projects and there would be no replication of this process. This was some major information that should be taken forward. Mr Razzaq opined that replication should not happen, streamlining and interested bodies should collaborate so that there can be impact, and impact analysis should be conducted, otherwise there would be no point in this regard. That is, funds are being mobilised, but none knows about the outcome. Thus, impact analysis should be one of the benchmarks for this. An institution should be created within specialised institutions that should have capacity building as a key component going forward. This could be done under the Ministry of Finance, as they were the authority who were approving those projects. There should be a core committee to oversight of all climate related funds mobilsation. He then said that in May or June 2024, the World Bank came up with a very comprehensive report where he was also present. Everyone is looking forward to working in the Green Space, the climate change space. Funds are available and it is just whether one is able to harness those in reality. There is bureaucracy in every department, everywhere, and worldwide.

Mr Razzaq met the president of the GCF, a French lady, who was one of the principal drafters of the Paris Agreement. He asked her if two and a half years were needed merely for mobilising the funds, by the time it would be done, adverse impacts would be gone. There would be no point in providing the money as it would be 30 per cent down on the project value. Bureaucracy will always be there; for that reason, Bangladesh should be very smart in raising its own funds and he believed the global capital market would be the way forward. Referring to Farah Kabir, country director, Action Aid Bangladesh, he supported the idea of raising funds from wealthy groups as climate change would affect everyone. There are provisions worldwide where all are contributing to create climate resilience funds. He concluded by saying that global capital and equity markets were available and Bangladesh could try to avail such funds, if it could have a good framework in place.

Concluding Remarks by the Chair of the Session

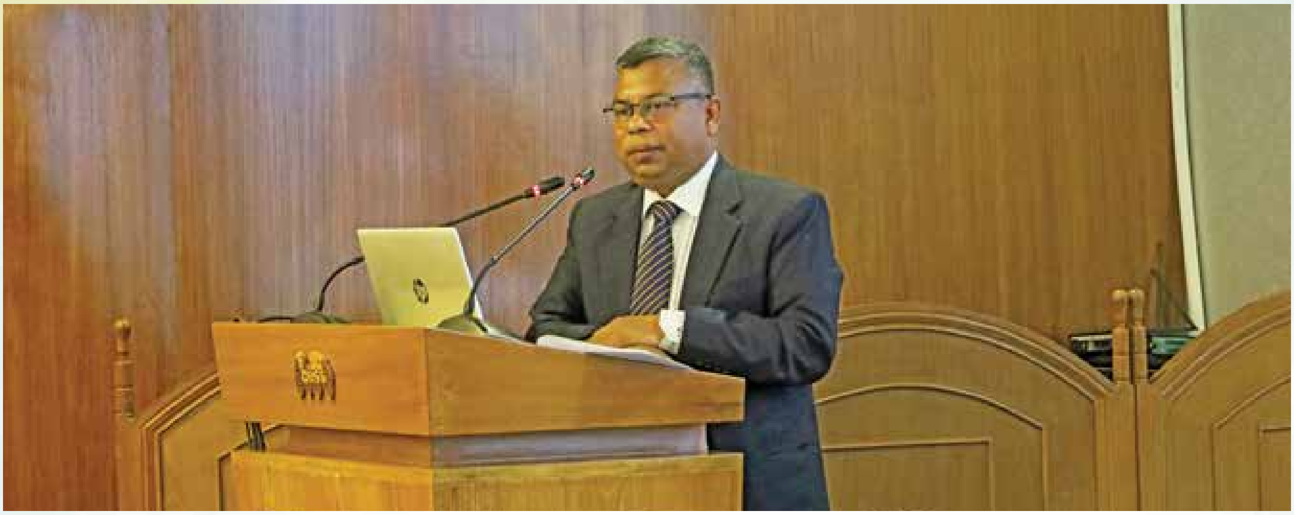
Ambassador A F M Gousal Azam Sarkar

Chairman

Bangladesh Institute of International and Strategic Studies (BIISS)

Ambassador A F M Gousal Azam Sarkar stated that Bangladesh is continually listed globally as one of the most vulnerable countries to the impacts of climate change. Ensuring climate finance is, therefore, of utmost importance for the well-being of the nation. Bangladesh stands at the forefront of climate vulnerability. Yet, amid the challenges, Bangladesh has demonstrated remarkable resilience and innovation. The country's proactive stance in developing climate adaptation strategies, such as the Climate Change Trust Fund Act (2010), Bangladesh Climate Change Strategy and Action Plan (BCCSAP), Country Investment Plan for Environment, Forestry and Climate Change (CIP-EFCC), Prospective Plan (2021-41), Bangladesh Delta Plan 2100, Mujib Climate Prosperity Plan, and National Adaptation Plan 2023-2050, serves as a model for other nations similarly vulnerable to climate change. These frameworks have guided both national and community-based efforts to mitigate risks and enhance adaptive capacities.

However, the crux of the discussions revolved around financing these critical initiatives. Climate financing is not merely about mobilizing resources but ensuring that these resources are effectively targeted, efficiently utilized, and equitably distributed. International climate finance mechanisms, including the Green Climate Fund (GCF) and Adaptation Fund, the Least Developed Countries Fund (LDCF) are pivotal in supporting Bangladesh's adaptation and mitigation projects. Yet, strict eligibility criteria prevent agencies from qualifying for these global climate funds. He stressed on to find ways to ensure our access to these funds.



At the same time, the chair also suggested to look into alternative financing sources. We should advocate for innovative financial instruments, such as green bonds, climate insurance, and public-private partnerships, to diversify and strengthen our financial toolkit. Bangladesh should also look into best practices of other countries. We can learn from the regional climate fund such as Nordic Development Fund, which provides grants to innovative projects. Similarly, the Bangladesh Government can look into supporting Scientists such as Dr Abed Chaudhury (who invented the Panchabrihi rice) which will contribute to Bangladesh's climate resilience.

Moreover, transparency and accountability in the deployment of climate funds are essential. Strengthening institutional capacities and governance structures in Bangladesh will play a crucial role in optimizing the impact of climate finance.

As Bangladesh moves forward, we need to remember that our collective efforts in climate financing are not solely for the benefit of Bangladesh but for the global community. Climate change is a transboundary challenge that requires a unified response. He urged all stakeholders of the seminar – policymakers, financiers, civil society representatives, and international partners – to maintain the momentum of our discussions and translate them into concrete actions. The country should forge stronger collaborations, innovate in our financial approaches, and remain steadfast in our commitment to climate justice.

At the end of the enlightening seminar, the chair extended his heartfelt gratitude to all the esteemed speakers, panelists, and participants who have contributed to the crucial discourse. The insights, expertise, and shared experiences have enriched everyone's understanding. He hoped that we can build a future together where Bangladesh not only survives but thrives in the face of climate change.

Editorial Team

Chief Editor
Iftekhar Anis
Director General

Editor
Mohammad Jasim Uddin
Research Director

Assistant Editor
Sufia Khanom, Senior Research Fellow
Mahabubur Rashid Bhuiyan, Research Fellow
Moutushi Islam, Research Fellow
Muhammad Mazedul Haque, Research Officer

The Editorial Team thankfully acknowledges
Tahsin Binte Hasan
former research intern for her assistance in preparing the proceedings

BIISS Publications

Books

South Asian Regional Cooperation: A Socio–economic Approach to Peace and Stability
Nation Building in Bangladesh: Retrospect and Prospect
The Indian Ocean as a Zone of Peace
The Security of Small States
ASEAN Experiences of Regional and Inter-regional Cooperation: Relevance for SAARC
Development, Politics and Security: Third World Context
Bangladesh and SAARC: Issues, Perspectives and Outlook
Bangladesh: Society Polity and Economy
South Asia's Security: Primacy of Internal Dimension
Chandabaji Versus Entrepreneurship: Youth Force in Bangladesh
Development Cooperation at the Dawn of the Twenty First Century: Bangladesh-German Partnership in Perspective
Conflict Management and Sub-regional Co-operation in ASEAN: Relevance of SAARC
National Security of Bangladesh in the 21st Century
Civil Society and Democracy in Bangladesh
Regional Co-operation in South Asia: New Dimensions and Perspectives
Confidence Building Measures and Security Cooperation in South Asia : Challenges in the New Century
Bangladesh-Southeast Asia Relations: Some Insights
Security in the Twenty First Century: A Bangladesh Perspective
25 Years of BIISS: An Anthology
Politics and Security in South Asia: Salience of Religion and Culture
Small States and Regional Stability in South Asia
Religious Militancy and Security in South Asia
Global War on Terror: Bangladesh Perspective
Towards BIMSTEC-Japan Comprehensive Economic Cooperation: Bangladesh Perspective
Democracy, Governance and Security Reforms: Bangladesh Context
Whither National Security Bangladesh (2007)
National Security Bangladesh (2008)
Human Security Approach to Counter Extremism in South Asia: Relevance of Japanese Culture
National Security Bangladesh (2009)
Energy Security in South Asia Plus: Relevance of Japanese Experience (2016)
Changing Global Dynamics: Bangladesh Foreign Policy (2018)
Bangladesh in International Peacebuilding: Discourses from Japan and Beyond (2019)
Bangabandhu and Bangladesh: An Epic of a Nation's Emergence and Emancipation (2021)
Militancy and National Security of Bangladesh: Policy Options and Strategic Outlook (2021)
Glimpses on Bangladesh: A Country of Hope, Love, Courage and Resilience
Developmet-Human Security Nexus: A Study on Padma Bridge Resettlement Areas

BIIS Publications

South Asia Human Security Series

Nepali State, Society and Human Security : An Infinite Discourse
Evolving Security Discourse in Sri Lanka: From National Security to Human Security
Violence, Terrorism and Human Security in South Asia
Women and Human Security in South Asia: The Cases of Bangladesh and Pakistan
Human Security in India: Health, Shelter and Marginalisation
Pakistan: Haunting Shadows of Human Security
Human Security in India: Discourse, Practices and Policy Implications
Human Security Index for South Asia: Exploring Relevant Issues
Ethnicity and Human Security in Bangladesh and Pakistan

BIISS Papers (Monograph series)

The Assam Tangle : Outlook for the Future (1984)
The Crisis in Lebanon: Multi-dimensional Aspects and Outlook for the Future (1985)
India's Policy Fundamentals, Neighbours and Post-Indira Developments (1985)
Strategic Aspects of Indo-Sri Lanka Relations (1986)
Indo-Bangladesh Common Rivers and Water Diplomacy (1986)
Gulf War : The Issues Revisited (1987)
The SAARC in Progress : A Hesitant Course of South Asian Transition (1988)
Post-Brezhnev Soviet Policy Towards the Third World (1988)
Changing Faces of Socialism (1989)
Sino-Indian Quest for Rapprochement: Implications for South Asia (1989)
Intifada : The New Dimension to Palestinian Struggle (1990)
Bangladesh : Towards National Consensus (in Bangla, 1990)
Environmental Challenges to Bangladesh (1991)
The Gulf War and the New World Order : Implication for the Third World (1992)
Challenges of Governance in India : Fundamentals under Threat (1995)
Bangladesh in United Nations Peacekeeping Operations (1998)
Nuclearisation of South Asia : Challenges and Options for Bangladesh (1998)
The Middle East Peace Process and the Palestinian Statehood (2000)
Pakistan and Bangladesh : From Conflict to Cooperation (2003)
Integrated Coastal Zone Management in Bangladesh : A Case for People's Management (2003)
WTO Dispute Settlement System and Developing Countries: A Neorealist Critique (2004)
State Sovereignty and Humanitarian Intervention : Does One Negate the Other? (2006)
Unipolarity and Weak States: The Case of Bangladesh (2009)
Japan's Strategic Rise (2010)
The Fallacy of Fragile States Indices: Is There a Fragility Trap (2017)
Implications of China’s Belt and Road Initiative for Bangladesh: A Strategic Analysis (2020)
Disaster Risk Reduction and Resilience: A Quest for Human Security in Bangladesh (2020)
Covid-19 Pandemic in Bangladesh: Economic Impacts and Policy Implications (2020)
Understanding Bangabandhu’s Foreign Policy: Principles, Priorities and Diplomatic Strategies (2021)
Repatriation of Forcibly Displaced Myanmar Nationals: Political Security and Humanitarian Assistance (2022)

BIISS Publications

BIISS Seminar Proceedings

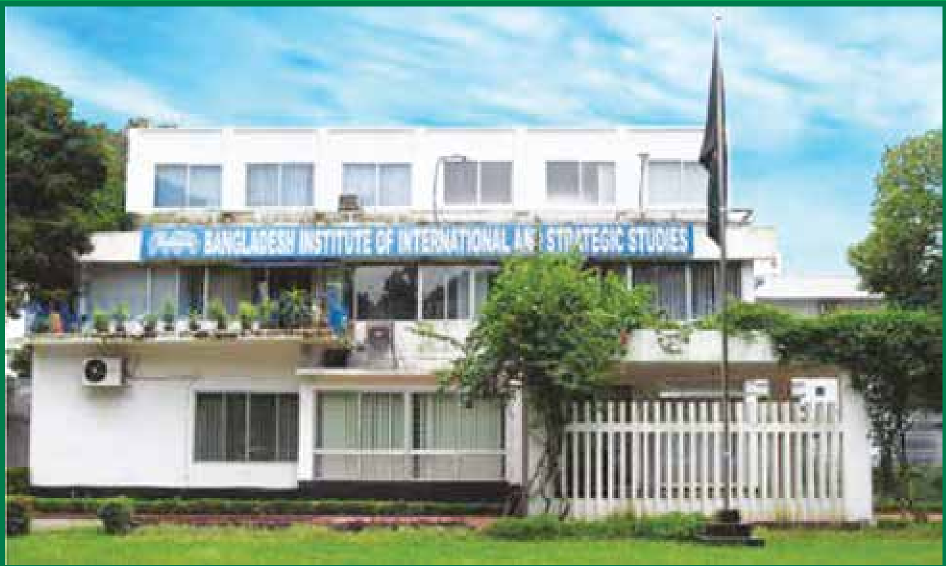
Contemporary Development Debate: Bangladesh in the Global Context (2014)
Moving from MDGs to SDGs: Bangladesh Experience and Expectation (2015)
SAARC at 30: Achievements, Potentials and Challenges (2015)
Bangladesh's Relations with Latin American Countries: Unlocking Potentials (2016)
Civil-Military Relations in Democracy: An Effective Framework (2016)
Recent Extremist Violence in Bangladesh: Response Options (2016)
25 March — Gonohottya Dibosh (Genocide Day) (2017)
Reconciling Divided Societies, Building Democracy and Good Governance:
Lessons from Sri Lanka (2017)
Promoting Cultural Diversity of Small Ethnic Groups in Bangladesh (2017)
Upcoming 45th Session of the Council of Foreign Ministers of OIC, Dhaka:
Revisiting A Shared Journey (2018)
রোহিঙ্গা সংকটঃ বাংলাদেশ কর্তৃক গৃহীত পদক্ষেপ ও পর্যালোচনা (Rohingya Crisis: Measures Taken by
Bangladesh and Appraisal) (2018)
Bangladesh Delta Plan 2100 (2018)
Bangladesh in International Peacebuilding: Experience from Japan (2018)
Bangladesh Delta Plan 2100: Implementation, Challenges and Way Forward (2019)
1971 Genocide in Bangladesh (2019)
Bangladesh-India Cooperation: In the Changing Regional and Global Context (2019)
Commemorating the Silver Jubilee of Diplomatic Relation
Between South Africa and Bangladesh (2019)
International Day of Peace 2019 and Launching of Book Titled
"Bangladesh in International Peacebuilding:
Discourses from Japan and Beyond" (2020)
Implications of the Belt and Road Initiative for the
Sustainable Development Goals in Bangladesh (2020)
Bangladesh-Nepal Relations: Prospects for Sub-regional Cooperation (2020)
Bangladesh and India: A Promising Future (2020)
Track 1.5 BIMSTEC Security Dialogue Forum (2020)
Bangabandhu's The Unfinished Memoirs: A Review (2020)
ASEM Day: Celebrating and For Strengthening Connectivity (2020)
Impact of Covid-19 Pandemic on Bangladesh: Options for Building Resilience (2020)
Leadership of Bangabandhu and Its Relevance to the Contemporary World (2021)
Bangabandhu and Bangladesh: Leadership and Foreign Policy (2021)
Bangabandhu's Vision of Sonar Bangla: Bangladesh at 50 (2021)
The Rohingya Crisis: Response of the International Community and the Repatriation Process (2021)
Revisiting Contemporary Peace and Security Challenges in the South Region (2021)
Bangabandhu and Bangladesh: An Epic of a Nation's Emergence and Emancipation (2021)
Exploring Korea-Bangladesh Relations in the Last Five Decades and Beyond (2021)
The Rohingya Exodus in Bangladesh: Regional and Global Security Implications (2021)
Bangladesh-South Africa Bilateral Relations: Exploring the Potentials for Future Engagement and Cooperation (2021)

BIISS Publications

BIISS Seminar Proceedings

Geopolitics of Indo-Pacific and Reconnecting the Bay of Bengal Littorals (2022)
Human Rights in the 21st Century: Rhetoric and Reality (2022)
Roundtable Discussion with H.E. Michele J. Sison, Assistant Secretary of State for International Organization Affairs, US Department of State and Her Delegation (2022)
Bangladesh and the United States Relations: Moving Towards Enhanced Cooperation and Partnership (2022)
Hybrid Seminar on Blue Economy and Maritime Security: Bangladesh Perspective (2022)
Bangladesh-India Relations: Confluence of Ideologies and Evolving Perspectives (2022)
The EU in the Indo-Pacific: A Committed Partner for Stability, Prosperity and Peace (2022)
Bangabandhu's Vision: Relevance in the Context of 21st Century (2022)
Climate Diplomacy: Constraints and Choices for Bangladesh (2022)
Bangladesh-Portugal Relations Quest for Deeper Bilateral Cooperation (2022)
Changing Global Order Securing Bangladesh's National Interest (2022)
New Frontiers of Human Rights Climate Justice in Perspective (2022)
Hybrid Seminar on Look Africa: Exploring New Horizons for Bangladesh (2022)
Hybrid Seminar on Promoting Multilateral Cooperation to Prevent Human Trafficking and Migrant Smuggling (2022)
BIISS Research Colloquium 2022 (2022)
Celebrating 50 Years of Bangladesh-Nepal Friendship: Shared Vision of Peace, Progress and Prosperity (2023)
Roundtable Discussion with Senior Director Eileen Laubacher, Senior Director for South Asia, United States National Security Council (USNSC) (2023)
Seminar on Gig Economy and Bangladesh: Opportunities, Challenges and Way Forward (2023)
Evolving Strategic Scenario in the Bay of Bengal Region: Bangladesh Perspective (2023)
Seminar on Contemporary Bangladesh: Security and Economic Perspectives (2023)
International Seminar on Bangladesh's Indo-Pacific Outlook: Opportunities and Way Forward (2023)
Roundtable Discussion on Bangladesh's Strategic Autonomy: Participation in International/Regional Organisations including BRICS (2024)
Seminar on The Rohingya Crisis: Contemporary Security Dimensions and Future of Repatriation Process (2024)
Roundtable Discussion on Strategic Autonomy of Bangladesh: Alternative Trading Arrangements (2024)
Interactive Session on Rohingya: Repatriation Process (2024)
Seminar on Global Economic Slowdown Bangladesh's Apparel Industry and Decent Work (2024)
Proceedings on the Regional Workshop on Bluer, Greener and Inclusive Growth in the Sundarban through an Ecosystem-based Approach (2024)
Seminar on Economic Diversification and Global Market: Bangladesh's Opportunities and Way Forward (2024)
Book Launching Ceremony Bangladesh on a New Journey: Moving Beyond the Regional Identity (2024)
Book Launching Seminar on Development-Human Security Nexus:A Study on Padma Bridge Resettlement Areas (2024)
Defence Diplomacy: Strategy for Bangladesh (2024)
Regional Seminar on Labour Migrants from South Asia: Issues and Concerns (2024)
Seminar on Application on Carbon Financing: Challenges and Policy Options for Bangladesh (2024)

- **BIISS Country Lecture Series**
  BIISS Country Lecture Series: Part- 1
  BIISS Country Lecture Series: Part- 2



Bangladesh Institute of International and Strategic Studies (BIISS) is an autonomous statutory institution established in 1978 by the Government of Bangladesh. The main responsibilities of the Institute are to undertake study, research, and dissemination of knowledge on international relations as well as national affairs and state policy related to security, defence, foreign relations, international peace, security, and strategic aspects.

The priority areas of the Institute's research activities are: foreign policy, security and strategic issues with specific relevance for Bangladesh; regional, inter-regional and international cooperation; conflict studies, peace keeping, disarmament, non-proliferation and area studies. Contemporary issues of global and South Asian security are also the focus of research activities of the Institute.

The Institute provides necessary assistance as per the demand of the Government in the formulation of projects and policies of related matters and their implementations. The Institute also establishes working forum for acquiring further knowledge of relevant national and international issues and policies, and facilitating exchange of knowledge and views between officials engaged in the work of the Government. To fulfil its objective of knowledge generation, the Institute carries out exchange of information, opinions, and materials with other institutions and scholars engaged in research in the country and abroad on the above-mentioned subject areas. The Institute also acts as an archive for the study and research on international affairs and strategic studies.

The general guidance and superintendence of the Institute's affairs are vested upon the Board of Governors, headed by a Chairman and consisting of representatives of government ministries, armed forces, academics and professionals. The Director General, the Chief Executive of the Institute, is also the Member-Secretary of the Board. Research activities of the Institute are carried out by the Research Faculty consisting of a team of full-time researchers with varied social sciences background.

Mailing Address

1/46, Old Elephant Road (West of Ramna Police Station), Dhaka-1000, Bangladesh.
Fax: 88-02-48312625, info@biiss.org, website: www.biiss.org